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PAPER MERCHANT PERFORMANCE

FOR THE YEAR 1982

PAPER MERCHANT PERFORMANCE TRENDS FOR THE YEARS 1973-1982

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NATIONAL PAPER TRADE ASSOCIATION, INC.

111 GREAT NECK ROAD

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ONE HUNDRED FIFTEEN DOLLARS

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INTRODUCTION PAPER MERCHANT PERFORMANCE

FOR THE YEAR 1982

Paper Merchant Performance for the Year 1982 reports the results of a survey of the operations of participating members of the National Paper Trade Association (NPTA) for the calendar year 1981. The survey was designed by the Management Information Committee of the NPTA and Management Foresight, Inc. (MFI) of Columbus, Ohio. Confidential survey forms were sent directly to MFI by participating firms. (A copy of the questionnaire appears in Appendix G.) MFI then checked and cleaned up the data and produced confidential, individual company reports and Industry Performance Surveys (IPS). The information appearing here has been derived from the IPS. This is the sixth consecutive year in which MFI produced the survey for the NPTA.

This edition of Paper Merchant Performance reports merchant performance information from 1973. The text of this report is organized into four chapters according to commodity emphasis groupings that are explained in each chapter.

243 firms, regional divisions and/or branches submitted survey forms. The participating firms represented $6.2 billion dollars in 1982 sales. (See Appendix A for the numbers of participants and their sales characteristics.)

As in the past, each survey participant received a confidential, individualized Performance Analysis Report (PAR) which compared his firm's performance to the performances of similar groups of firms in the industry. Each PAR contains extensive operational and performance results for the individual firm and for the industry.

The text of this report is organized into four chapters according to commodity emphasis groupings that are explained in each chapter. Performance measures appear in the form of composite means. Appendices define the measures and explain the survey's methodology.

Minor variations exist between some of Chapter One's reported values and subsequent chapters' values because Chapter One's results were computed separately from the later chapters' results with intervening changes in the respective data bases. Where such differences exist, values in the later chapters are the values of choice.

The basic format of each chapter is a presentation and discussion of roughly forty key financial management measures of that chapter's product emphasis group's performance. In its fullest extent, the PAR survey generates more than 300 measures, and the member who participates in the survey receives in his confidential company PAR much more management information than is contained in Paper Merchant Performance. For information in how your company can participate in the survey, contact the Research Director at (516) 829-3070.

CHAPTER ONE OVERALL PAPER MERCHANT PERFORMANCE

The NPTA's members distribute industrial and printing paper products; some members specialize in one or the other commodity line; others distribute both commodity lines. With this three way division in product emphasis, the NPTA recognizes three major groups of paper merchants, namely, printing paper merchants, industrial paper merchants, and dual paper merchants. This chapter reports summary performance measures for each of these major groups as well as for an all-inclusive grouping that embraces all three product emphasis groups, that is, the all paper merchant firms group. The three major groups are discussed in detail in later chapters. (See Appendix A for the characteristics of the major groups of firms and Appendix B for a statement of the survey's methodology.)

EXHIBIT 1

MAJOR MERCHANT GROUPS' SALES VOLUME CHANGES

AND PRODUCER & CONSUMER PRICE CHANGES

(Each Annual Value Expressed As A Percent of Prior Year's Value)

	1978	1979	1980	1981	1982
SALES VOLUME CHANGES[1]					
ALL PAPER MERCHANT FIRMS (%)	14.44	17.07	9.74	8.71	1.50
ALL PRINTING FIRMS (%)	17.58	22.22	7.61	7.87	4.93
ALL INDUSTRIAL FIRMS (%)	13.40	16.86	11.75	11.40	1.74
ALL DUAL FIRMS (%)	13.03	14.16	11.54	8.78	-3.13
PRICE INDEX CHANGES[2]					
PRINTING PPI (%)[3]	10.02	11.87	7.08	11.24	-1.86
INDUSTRIAL PPI (%)[4]	10.27	12.11	10.27	7.56	0.61
URBAN CPI (%)[5]	9.64	13.50	12.40	8.9	3.9

INDEX SOURCE: Bureau of Labor Statistics, U.S. Department of Labor

[1]All values based on computation of composite averages; see Appendix B regarding such averages.
[2]The calculated changes reflect December to December variations.
[3]The Printing PPI is the code group 091301, namely, Paper, except Newsprint. The code group 091301 includes printing paper, book paper, bond wrapping paper, sack paper, butcher's paper and wax paper.
[4]The Industrial PPI is the code group 0915, namely, Converted Paper and Paperboard Products. The code group 0915 includes sanitary papers & health products (tissues, towels & napkins), paper bags & shipping sacks, paper boxes and containers, tape, office supplies & accessories and composite cans.
[5]The Urban CPI is the Consumer Price Index for All Urban Consumers.

SALES PERFORMANCE

Exhibit 1 shows that sales volume in dollars (unadjusted for inflation) for the all firms group rose in 1982 by 1.50% over 1981's volume, while consumer prices increased 3.9%. All printing firms' 1982 sales volume increased by 4.93% while the relevant producer price index declined by 1.86%. All industrial firms' 1982 sales increased by 1.74% while prices increased 0.61%. All dual firms' sales decreased by 3.13% over the year.

PROFITABILITY PERFORMANCE

Exhibit 2 presents the NPTA/MFI profit model which is explained in Appendix C. The model reveals profit management performance in three key management areas, namely, in sales profit margin management, which appears under column 1, in assets management, which appears under column 2, and in financial position management, which appears under column 4. (Appendix D defines these measures.)

Column 5 of Exhibit 2 indicates that all firms' return on net worth fell by 6.43 percentage points in 1982 to 17.42%. All industrial paper firms led the decline falling by 11.44 points to 10.71%. All printing paper firms decreased by 6.60 points to 17.70%. All dual paper firms declined 2.95 points to 21.00%. These new return on net worth values are the lowest in five years.

Column 4 of Exhibit 2 shows that the all firms' financial leverage multiplier increased in 1982 by 0.06X to 1.87X. This all firms' increase was led by the all dual paper firms group who raised their multiplier by 0.15X to 2.00X, which was the highest value during the last five years. All printing firms and all industrial firms changed by 0.05X increments; all printing firms rose to 1.77X and all industrial firms fell to 1.94X for a five year low.

Column 3 of Exhibit 2 reports that all firms' return on total assets fell by 4.59 percentage points in 1982 to 9.27%. All industrial firms led the decline falling by 5.53 points to 5.41%. All printing firms fell by 4.38 points to 9.82%, and all dual firms fell by 4.18 points to 10.37%. These new return on total assets values are the lowest in five years.

The profit model views return on total assets performance, which appears under column 3, as the result of sales profit margin management, which appears under column 1, and assets turnover management, which appears under column 2. In general in 1982, all merchant groups manifested lower returns on total assets but constant assets turnovers so that the cause of return on total assets reductions appears to lie in lower sales profit margin management performances. Specifically, the all industrial firms' return on total assets value led the decline dropping to 5.41%--despite the fact that its assets management measure increased to a five year high of 4.23X --because its sales profit management measure dropped by more than half to a five year low of 1.28%. Declining by roughly nine tenths of a point, all printing and all dual firms sales profit management measures drove returns on total assets measures down by 4.38 and 4.18 points respectively to 9.82% and 10.37% respectively.

Column 6 of Exhibit 2 reports the measure Return On Capital Employed. All firms fell in 1982 by 4.86 percentage points to 16.82%; all industrial firms led this decline by dropping 9.03 points to 10.21%. All printing firms declined to 18.05%, all dual firms decreased to 18.26%. These new values are the lowest in five years.

In summary, industry profitability measures in 1982 reached five year lows after suffering most of the sharpest declines of the period.

EXHIBIT 2

PROFIT MODEL PERFORMANCE[1]
(Composite Average values)[2]

GROUPS OF PAPER MERCHANT FIRMS		(1) NET PROFIT BEFORE TAX / NET SALES (%)	× (2) NET SALES / TOTAL ASSETS (X)	= (3) NET PROFIT BEFORE TAX / TOTAL ASSETS (%)	× (4) TOTAL ASSETS / NET WORTH (X)	= (5) NET PROFIT BEFORE TAX / NET WORTH (%)	(6) RETURN ON CAPITAL EMPLOYED[3] (%)
ALL	1982	2.06	4.48	9.27	1.87	17.42	16.82
FIRMS	1981	3.05	4.52	13.86	1.81	23.85	21.68
	1980	3.24	4.52	14.39	1.92	27.66	23.71
	1979	3.18	4.37	13.52	2.01	27.30	23.16
	1978	2.62	4.44	11.24	2.05	23.08	19.25
ALL	1982	2.18	4.49	9.82	1.77	17.70	18.05
PRINTING	1981	3.11	4.54	14.20	1.72	24.30	22.78
PAPER	1980	3.28	4.56	14.98	1.93	29.05	24.81
FIRMS	1979	3.16	4.65	14.53	2.26	33.15	25.72
	1978	2.35	4.41	10.51	2.30	24.32	19.71
ALL	1982	1.28	4.23	5.41	1.94	10.71	10.21
INDUSTRIAL	1981	2.63	4.16	10.94	1.99	22.15	19.24
PAPER	1980	2.54	4.00	10.17	2.12	21.63	18.17
FIRMS	1979	2.31	3.93	9.07	2.03	18.69	15.95
	1978	2.17	4.04	8.74	1.99	17.39	14.74
ALL	1982	2.23	4.60	10.37	2.00	21.00	18.26
DUAL	1981	3.13	4.64	14.55	1.85	23.95	21.28
PAPER	1980	3.42	4.66	15.32	1.84	28.14	24.41
FIRMS	1979	3.41	4.32	14.22	1.87	26.56	23.72
	1978	2.85	4.57	12.40	1.94	23.99	20.23

[1]See Appendix C for a discussion of the profit model.
[2]See Appendix B for a discussion of composite averages and Appendix D for definitions of measures.
[3]For an explanation of ROCE, see footnote 3, Page 8.

OTHER PERFORMANCE MEASURES

Exhibit 3 presents performance measures for the all firms group.

Continuing a trend into its fifth year, warehouse sales increased in 1982 by 0.66 points to 53.39% of total sales. The average warehouse order size increased by less than an inflationary factor to $292. However, warehouse gross margins decreased by 0.68 points in 1982 to 23.06% of warehouse sales, which is the lowest value in the last five years.

Indirect sales performance characteristics were different. Indirect sales decreased slightly in 1982 to 6.38% of total sales. The average order size increased by a less than inflationary factor to $596. The indirect gross margins increased slightly to 18.73% of indirect sales.

Continuing a trend, direct sales decreased in 1982 by 1.21 points to 40.23% of total sales, which is the lowest value in five years. The average direct order size dropped by 13%, or $433, to $2,984 ending a growth trend. Direct margins increased slightly to 8.12% of direct sales for the second lowest value in the last five years.

Net Sales Per Employee grew in 1982 to $284,870 continuing a trend; while,

Gross Profit Per Employee dropped slightly to $47,990 ending a growth trend.

Expense control performance measures increased in 1982 for the second consecutive year reaching their highest values in five years.

Asset management performance measures were varied. Inventory Turnover rose slightly in 1982 to 5.38X, while Days Receivables Outstanding increased by 0.8 days to 40.9 days ending three years of shortening collection periods.

EXHIBIT 3

SUMMARY PERFORMANCE MEASURES FOR ALL PAPER MERCHANT FIRMS
(Composite Averages)[1]

SALES PERFORMANCE	1978	1979	1980	1981	1982
SALES CHANGE OVER PRIOR YEAR (%)	14.44	17.07	9.74	8.71	1.50
WAREHOUSE SALES -- % TOTAL SALES (%)	49.29	50.46	52.41	52.73	53.39
INDIRECT SALES -- % TOTAL SALES (%)	6.90	5.85	5.56	6.57	6.38
WHSE & IND SALES --% TOTAL SALES (%)	56.69	57.53	57.42	58.54	59.77
DIRECT SALES -- % TOTAL SALES (%)	43.31	42.47	42.63	41.44	40.23
AVERAGE WAREHOUSE ORDER SIZE ($)	213	235	271	288	292
AVERAGE INDIRECT ORDER SIZE ($)	500	533	638	587	596
AVERAGE WHSE & IND ORDER SIZE ($)	215	244	281	294	301
AVERAGE DIRECT ORDER SIZE ($)	2,591	2,905	3,183	3,417	2,984
GROSS PROFIT MARGIN PERFORMANCE					
WAREHOUSE GROSS MARGIN -- % WHSE SALES (%)	23.38	24.12	24.09	23.74	23.06
INDIRECT GROSS MARGIN -- % INDIRECT SALES (%)	17.81	19.14	18.54	18.67	18.73
WHSE & IND GROSS MARGIN -- % WHSE & IND SALES (%)	22.99	23.46	23.86	23.43	22.80
DIRECT GROSS MARGIN -- % DIRECT SALES (%)	8.36	8.78	8.26	8.10	8.12
PERSONNEL PRODUCTIVITY PERFORMANCE					
NET SALES PER EMPLOYEE ($000)	217.08	242.70	258.29	274.26	284.87
GROSS MARGIN PER EMPLOYEE ($000)	35.83	41.55	45.26	48.17	47.99
EXPENSE CONTROL PERFORMANCE					
TOTAL EMPLOYEE COMPENSATION -- % GROSS MARGIN (%)	59.95	57.09	56.37	56.91	59.97
SALES SERVICE & SELL EXPENSE -- % GROSS MARGIN (%)	35.64	34.73	35.50	36.03	37.84
NON-PEOPLE EXPENSE -- % GROSS MARGIN (%)	--	--	25.39	26.50	28.35
OPERATING EXPENSE -- % GROSS MARGIN (%)	84.46	82.09	81.71	83.34	88.88
ASSET MANAGEMENT PERFORMANCE					
INVENTORY TURNOVER (WHSE ONLY: X)	5.59	5.78	5.23	5.33	5.38
DAYS RECEIVABLES OUTSTANDING (DAYS)[2]	42.5	42.4	40.3	40.1	40.9

[1]See Appendix B for a discussion of the composite average.
[2](Ending Accounts Receivable x 365)/Net Sales

CHAPTER TWO PRINTING PAPER MERCHANT PERFORMANCE

Printing paper merchants are paper distributors who obtain 80%, or more, of their sales dollars from the sale of printing paper products. In this survey, printing paper sales include sales of fine paper, envelopes, cut and standard sizes, text and covers and printing supplies (toner, inks, blankets, plates, etc.) as well as punching and cutting as a service of printing paper sales. (See Appendix A for the characteristics of merchants studied in these reports.)

EXHIBIT 4
SALES PERFORMANCE MEASURES FOR PRINTING PAPER MERCHANTS
(All Values Are Composite Averages)[1]

PERFORMANCE MEASURES	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
% SALES CHANGE OVER PRIOR YEAR (%)	--	--	--	--	13.7	17.58	22.12	7.49	7.89	4.91	
WAREHOUSE SALES[2] -- % TOTAL SALES (%)	49.1	48.1	52.9	50.7	42.1	39.5	36.5	44.05	43.87	43.03	
INDIRECT SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	6.15	4.17	4.64	5.55	5.12	
WHSE & IND SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	42.37	41.80	47.23	48.80	48.42	
DIRECT SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	57.63	58.20	52.77	51.20	51.58	
AVERAGE WAREHOUSE ORDER SIZE ($)	156	188	178	179	232	236	299	297	322	332	
AVERAGE INDIRECT ORDER SIZE ($)	--	--	--	--	--	718	886	920	800	940	
AVERAGE WHSE & IND ORDER SIZE ($)	--	--	--	--	--	263	318	314	317	354	
AVERAGE DIRECT ORDER SIZE ($)	1,488	3,201	2,733	3,061	3,810	4,026	4,696	4,485	4,864	4,187	

Sources: Values for 1976 and earlier: Price Waterhouse and NPTA.
Values for 1977 and later: Management Foresight, Inc.

[1]See Appendix B for a discussion of composite averages.
[2]As discussed in Appendix E, the addition of an "indirect sales" category reduced the comparability of the 1978, and later, sales values to the 1977, and earlier, results. However, the 1978 and later results are mutually comparable.

SALES PERFORMANCE

Exhibit 4 reports nine sales performance measures. Printing paper merchants increased their sales volume in 1982 by 4.91% which was about one point ahead of inflation.

Merchants use three different methods to distribute paper, and each method involves different merchant functions. This survey studies distribution methods as sales paths, namely, as warehouse sales, as indirect sales and as direct sales. Warehouse sales are sales of products from inventory in the merchant's warehouse. The merchant's prices and margins on warehouse sales contain factors covering the storage, handling, delivery, selling and administrative functions involved. Indirect sales are sales of products that the merchant receives from the manufacturer and immediately delivers to his customers without adding them to his inventory. The merchant's prices and margins on indirect sales contain factors to cover the handling, delivery, selling and administrative functions involved. Direct sales are sales of products that are shipped from the manufacturer to the merchant's customers. The merchant's prices and margins on direct sales contain factors to cover the delivery, selling and administrative functions involved. Sales path margins are reported in the section on profit margin management; and, sales path percentages of total sales are reported here.

Printing paper merchants' split of sales between directs and non-directs sales vary rather widely. In the last half dozen years, the split has either been 58%, or 52%, directs with the remainder divided among the warehouse and indirect categories; 1982 saw 51.58% directs.

In an industry where direct sales are the biggest part of the business, it's significant that the average direct order size declined by 14%, or $677, to $4,187.

PROFITABILITY PERFORMANCE

The profit model studies the performance of the distribution firm (and industry) in light of its production of profit or increase in resources. (See Appendix C for a discussion of the profit model.) The model is comprehensive; it studies a firm's profit performance on its sales management, on its management of assets as resources used in generating those sales and on its management of assets as they are subject to creditor/owner claims.

The measure Return On Net Worth (RONW) combines sales management, asset management and investment management. Exhibit 5 reports RONW under column 5 as the measure Net Profit Before Tax As a Percentage of Net Worth. Printing paper merchants' RONW declined 26%, or 6.18 percentage points, to 18.04% for the lowest value in ten years. (This decline was driven by a one third disappearance in sales profitability and moderated by improved assets management and financial position management.) The Return On Total Assets (ROTA) measure, shown under column three, fell by 32%, or 4.57 points to 9.67% for the lowest value in ten years. The Return On Net Sales (RONS) measure, shown under column one, fell by 33%, or 1.02 points, to 2.10% for the lowest value in more than a decade.

Printing paper merchants' Return On Capital Employed fell by 21%, or 4.87 points, to 17.97% for the lowest value in more than a decade.

In sum, printing paper merchants experienced in 1982 their hardest year in at least ten. Although 1982 was bad for all merchant groups, it was not as bad for printing paper merchants as it was for industrial merchants.

EXHIBIT 5

PRINTING PAPER MERCHANTS' PROFIT MODEL PERFORMANCE[1]
(Composite Average Values)[2]

	(1) NET PROFIT BEFORE TAX / NET SALES (%)	x	(2) NET SALES / TOTAL ASSETS (X)	=	(3) NET PROFIT BEFORE TAX / TOTAL ASSETS (%)	x	(4) TOTAL ASSETS / NET WORTH (X)	=	(5) NET PROFIT BEFORE TAX / NET WORTH (%)	(6) RETURN ON CAPITAL EMPLOYED[3] (%)
1982	2.10		4.58		9.67		1.82		18.04	17.97
1981	3.12		4.55		14.24		1.71		24.22	22.84
1980	3.25		4.58		14.89		1.94		29.02	24.78
1979	3.16		4.65		14.53		2.26		33.15	25.72
1978	2.35		4.40		10.50		2.29		24.29	19.63
1977	2.65		4.11		11.30		1.79		21.12	22.19
1976	3.43		3.79		13.00		1.61		20.94	19.5
1975	3.72		3.31		12.31		1.65		20.32	20.9
1974	4.99		3.91		19.50		1.74		33.87	30.9
1973	3.60		3.30		11.89		1.82		21.66	18.4

[1]See Appendix C for a discussion of the MFI Profit Model.
[2]The measures shown under columns 1-5 are computed individually. Therefore, the values in column 3 are the result of dividing Net Profit Before Tax by Total Assets and are not the result of multiplying column 1's values by column 2's values; the values in column 5 are the result of dividing Net Profit Before Tax by Net Worth and are not the result of multiplying column 3's values by column 4's values.
[3]Return on Capital Employed was defined in 1977 and prior years as "net profit before taxes plus interest on borrowed funds minus income from outside investments" divided by "net worth, or owner's equity, plus long term debt minus outside investments". In 1978 and later years, Bank Loans Due in Less Than One Year was added to the denominator of the ratio (the capital invested) to recognize that some, if not most, of the total interest paid by the typical paper distributor resulted from bank loans. See Appendix D for a complete definition of the measure.

PROFIT MARGIN MANAGEMENT

Exhibit 6A presents ten key measures of profit margin management in three summary areas, namely, in sales profitability performance, in operating expense control and in personnel productivity performance.

Before 1978, merchant sales were studied in terms of two sales paths, i.e., as warehouse sales and as direct sales. Starting with the report for 1978, merchants separated indirect sales from warehouse sales so that sales are now studied in terms of four paths, that is to say, in terms of warehouse and direct sales as before and also in terms of indirect and warehouse + indirect sales.

All gross margin percentages of sales fell in 1982, and most reached new low values. The warehouse part of the business apparently lost at least a full percentage point of gross margin; the direct part of the business lost almost none.

EXHIBIT 6A

PROFIT MARGIN PERFORMANCE MEASURES FOR PRINTING PAPER MERCHANTS
(All Values Are Composite Averages)

PROFITABILITY[1]	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
WAREHOUSE GROSS MARGIN -- % WHSE SALES (%)	24.2	26.7	25.6	24.7	24.4	24.8	24.7	24.5	24.5	23.34	
INDIRECT GROSS MARGIN -- % INDIRECT SALES (%)	--	--	--	--	--	16.5	17.7	17.7	17.5	16.96	
WHSE & IND GROSS MARGIN -- % WHSE & IND SALES (%)	--	--	--	--	--	23.7	24.2	24.2	24.1	22.93	
DIRECT GROSS MARGIN -- % DIRECT SALES (%)	9.1	8.7	8.5	7.9	7.3	7.4	7.6	7.5	7.2	7.06	
OPERATING EXPENSE CONTROL											
OPERATING EXPENSE -- % OF GROSS MARGIN (%)	80.1	72.4	80.4	80.8	82.2	83.8	78.2	78.9	80.4	86.6	
NON-PEOPLE EXPENSE -- % OF GROSS MARGIN (%)	--	--	--	--	--	--	--	25.8	26.3	29.2	
TOTAL EMPLOYEE COMPENSATION -- % GROSS MARGIN (%)	48.8	48.0	53.5	53.2	56.6	56.3	52.7	53.2	53.8	57.3	
PERSONNEL PRODUCTIVITY											
NET SALES PER EMPLOYEE ($000)	168.8	203.2	173.3	196.0	244.4	281.1	342.1	329.4	351.0	358.8	
GROSS MARGIN PER EMPLOYEE ($000)	--	--	--	--	35.8	41.0	50.2	51.3	54.2	52.9	
SALES SVC & SELL EXPENSE -- % GROSS MARGIN (%)	34.7	31.5	34.9	35.3	37.9	38.2	36.5	35.7	36.3	38.5	

[1]This survey studied only warehouse and direct sales until indirect sales were separated and excluded from warehouse sales starting with data for 1978. Thus, the published values for 1977 and earlier years are not directly comparable with values for 1978 and later years. However, values for 1978 and later years are mutually comparable.

Operating expense control measures achieved new high values for printing paper merchants; high as these values are in printing paper merchants, they were higher for industrial merchants. The measure Operating Expense -- % Gross Margin reached 86.6%.

As regards Personnel Productivity, while sales per employee rose slightly to $358,800, profit per employee, reversing a four year long trend, fell to $52,900 per employee.

Exhibit 6B reports values for six of these measures in forms that can be used for goal setting.

EXHIBIT 6B

SOME PROFIT MARGIN PERFORMANCE GOALS FOR PRINTING PAPER MERCHANT FIRMS
(Based on 1982 Business Conditions & Performances)

	UPPER QUARTILE[1] OF ALL PRINTING PAPER FIRMS	MEDIAN[2] OF HIGH PROFIT (ROTA) GROUP
PROFITABILITY		
WHSE PP GM -- % WHSE PP SALES (%)	26.22	25.13
DIR PP GM -- % DIR PP SALES (%)	8.23	7.07
OPERATING EXPENSE CONTROL		
OPERATING EXPENSES -- % GROSS MARGIN (%)	82.67	80.47
NON-PEOPLE EXPENSES -- % GROSS MARGIN (%)	25.96	25.96
TOTAL COMPENSATION -- % GROSS MARGIN (%)	53.36	50.41
PERSONNEL PRODUCTIVITY		
GROSS MARGIN PER EMPLOYEE ($)	61,860	62,390

[1]After individual company values have been calculated and ordered by size, the value standing in the middle of the upper half of values is the upper quartile. The upper quartile is the average of the values in the 25th + 26th position in a set of 100 all firms' values.
[2]After individual company values have been calculated and ordered by size, the value standing in the middle of the top quarter of values is the median of the high profit group. The median of the high profit group is the average of the values in the 12th + 13th positions in a set of 100 ROTA profit group firms' values (See Appendix B for ROTA Profit Groups).

ASSET MANAGEMENT PERFORMANCE

Exhibit 7A presents four key asset management performance measures in three summary asset management areas.

The most comprehensive asset management measure reported is Net Sales To Total Assets, or Total Assets Turnover. Printing paper merchants' Total Assets Turnover increased slightly to 4.58X from 4.55X, which was the average value for the last five years.

Inventory Turnover rose a tenth of a turn to 4.95X in 1982 and surpassed the last ten years' average of 4.91X but did not reach the last five years' average value of 5.18X. Gross Margin Return On Inventory declined for the third consecutive year to 151%.

The Average Collection Period, which averaged 46.6 days over the last ten years and 44.8 days over the last five years, lengthened out from the shortest two values available for comparison to 44.2 days.

Exhibit 7B offers some possible asset management goals for printing paper merchants.

EXHIBIT 7A

ASSET MANAGEMENT PERFORMANCE MEASURES FOR PRINTING PAPER MERCHANTS
(All Values Are Composite Averages)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
OVERALL ASSET MANAGEMENT											
NET SLS TO TOTAL ASSETS (X)	3.30	3.91	3.31	3.79	4.11	4.40	4.65	4.56	4.55	4.58	
INVENTORY MANAGEMENT											
INVENTORY TURNOVER (X)[1]	4.70	4.64	3.97	4.39	5.51	4.98	6.01	5.13	4.85	4.95	
GROSS MARGIN RETURN ON INVENTORY (%)[2]	150	169	137	144	175	164	197	166	158	151	
ACCOUNTS RECEIVABLE MANAGEMENT											
AV. COLLECTION PERIOD (DAYS)[3]	53	44	53	47	45.4	48.0	46.0	42.5	43.1	44.2	

[1]Inventory Turnover is calculated as Cost of Warehouse Goods Sold to Average Inventory (average of beginning and ending inventories for the year). However, remember that the definition of warehouse sales was narrowed to exclude indirect sales for 1978 and later years.

[2]Gross Margin Return On Inventory is defined as Gross Margin On Warehouse Sales divided by Average Inventory. Starting with the 1978 data, indirect sales were separated and excluded from warehouse sales. Thus, the above values for 1977 and earlier years are not directly comparable with the values for 1978 and later years. However, the values for 1978 and later years are mutually comparable.

[3]The calculation approach used for each measure is defined in Appendix D.

EXHIBIT 7B

SOME ASSET MANAGEMENT PERFORMANCE GOALS FOR PRINTING PAPER MERCHANT FIRMS
(Based on 1982 Business Conditions & Performances)

	UPPER QUARTILE[1] OF ALL PRINTING PAPER FIRMS	MEDIAN[2] OF HIGH PROFIT (ROTA) GROUP
OVERALL ASSET MANAGEMENT		
NET SALES TO TOTAL ASSETS (X)	6.10	4.76
INVENTORY MANAGEMENT		
INVENTORY TURNOVER (X)	7.10	4.25
GROSS MARGIN RETURN ON INVENTORY (%)	241.88	175.90
ACCOUNTS RECEIVABLE MANAGEMENT		
DAYS SALES IN ACCOUNTS RECEIVABLE ON NOV. 30 (DAYS)[3]	38.7	42.1

[1]The upper quartile is the value standing in the middle of the top half of the ordered values. In a set of about 100 values, the upper quartile is about 25th from the top.

[2]The median of the high profit group (See Appendix B for the ROTA Profit Groups) us the value standing in the middle of the top quarter of the ordered values. In a set of about 100 values, the median of the high profit group is about 12th from the top.

[3]This is a more precisely defined measure of collection period than Average Collection Period which is based on sales for the year. Days Sales... is calculated by dividing credit sales for Oct. + Nov. by 61 to get a more accurate measure of average credit sales per day and then dividing this value into the trade notes and accounts receivable (after reserve for bad debts) on Nov. 30.

FINANCIAL MANAGEMENT

Exhibit 8 presents measures of printing paper merchants' financial management performance. 1982's values have dropped in comparison to 1981's.

Merchants have again reduced their leverage. Total debt dropped to 84.4% of net worth and current debt declined to 72.3% of net worth.

Current Assets Minus Inventory To Current Debt, the Quick Ratio, increased slightly to 1.70X; while, the year end payables period increased to 19.8 days.

EXHIBIT 8

FINANCIAL MANAGEMENT MEASURES FOR PRINTING PAPER MERCHANTS
(All Values Are Medians)

	1978	1979	1980	1981	1982
FINANCIAL LEVERAGE					
TOTAL DEBT TO NET WORTH (%)	139.1	158.7	131.4	99.8	84.42
CURRENT DEBT TO NET WORTH (%)	113.1	127.4	104.5	80.6	72.26
ABILITY TO PAY CURRENT DEBTS					
CURRENT ASSETS MINUS INVENTORY TO CURRENT DEBT (X)	1.33	1.26	1.51	1.52	1.70
DAYS PAYABLES OUTSTANDING ON DEC. 31 (DAYS)	22.0	21.0	21.4	19.4	19.8

CHAPTER THREE INDUSTRIAL PAPER MERCHANT PERFORMANCE

Industrial paper merchants are paper distributors who obtain 80%, or more, of their sales dollars from the sale of industrial paper products. (See Appendix A for the characteristics of merchants studied in these reports.)

SALES PERFORMANCE

Exhibit 9 reports nine sales performance measures. Industrial paper merchants' 1982 sales dollar volume increase of 3.52% did not keep pace with inflation which, as measured by the increase in the urban consumer price index, was +3.9%.

EXHIBIT 9
SALES PERFORMANCE MEASURES FOR INDUSTRIAL PAPER MERCHANTS
(All Values Are Composite Averages)[1]

PERFORMANCE MEASURES	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
% SALES CHANGE OVER PRIOR YEAR (%)	--	--	--	--	7.1	13.4	16.86	11.75	11.29	3.52	
WAREHOUSE SALES[2] -- % TOTAL SALES (%)	74.3	76.4	77.6	78.5	76.8	68.9	69.92	74.71	71.76	66.26	
INDIRECT SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	10.6	6.98	5.40	7.58	6.22	
WHSE & IND SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	81.7	77.40	79.39	78.02	75.47	
DIRECT SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	18.3	22.60	20.82	21.98	24.53	
AVERAGE WAREHOUSE ORDER SIZE ($)	106	131	135	140	154	163	163	180	196	250	
AVERAGE INDIRECT ORDER SIZE ($)	--	--	--	--	--	240	278	296	256	309	
AVERAGE WHSE & IND ORDER SIZE ($)	--	--	--	--	--	151	167	190	206	248	
AVERAGE DIRECT ORDER SIZE ($)	444	701	649	487	506	775	1,105	1,060	1,260	1,476	

Sources: Values for 1976 and earlier: Price Waterhouse and NPTA.
Values for 1977 and later: Management Foresight, Inc.

[1]See Appendix B for a discussion of composite averages.
[2]As discussed in Appendix E, the addition of an "indirect sales" category reduced the comparability of the 1978, and later, sales values to the 1977, and earlier, results. However, the 1978 and later results are mutually comparable.

Merchants use three different methods to distribute paper, and each method involves different merchant functions. This survey studies distribution methods as sales paths, namely, as warehouse sales, as indirect sales and as direct sales. Warehouse sales are sales of products from inventory in the merchant's warehouse. The merchant's prices and margins on warehouse sales contain factors covering the storage, handling, delivery, selling and administrative functions involved. Indirect sales are sales of products that the merchant receives from the manufacturer and immediately delivers to his customers without adding them to his inventory. The merchant's prices and margins on indirect sales contain factors to cover the handling, delivery, selling and administrative functions involved. Direct sales are sales of products that are shipped from the manufacturer to the merchant's customers. The merchant's prices and margins on direct sales contain factors to cover the delivery, selling and administrative functions involved. Sales path margins are reported in the section on profit margin management; and, sales path percentages of total sales are reported here.

Merchants' sales through these paths are studied as percentages of total sales. (Seventy-one questionnaires reported warehouse + indirect sales volume as well as direct sales volume; while only fortyone questionnaires reported separate warehouse sales volume and pure indirect sales volume. Thus separate warehouse and separate indirect percentages do not total to the combined warehouse + indirect value.) In 1982, warehouse + indirect sales declined by 2.55 percentage points to 75.47% of total sales while direct sales increased by the same amount to 24.53% pf total sales.

Average order size increased by 20% to $248 for combined warehouse + indirect sales and by 17% to $1,476 for direct sales.

PROFITABILITY PERFORMANCE

The profit model studies the performance of the distribution firm (and industry) in light of its production of profit or increase in resources. (See Appendix C for a discussion of the profit model.) The model is comprehensive; it studies a firm's profit performance on its sales management, on its management of assets as resources used in generating those sales and on its management of assets as they are subject to creditor/ owner claims.

The measure Return On Net Worth (RONW) combines sales management, asset management and investment management. Exhibit 10 reports RONW under column 5 as the measure Net Profit Before Tax As a Percentage of Net Worth. Industrial paper merchants' RONW dropped a dramatic 39%, or 8.58 percentage points, to 13.48% for the lowest value in more than ten years. According to the profit model, this drop was caused ultimately by sales profitability management, which is represented under column 1, was moderated slightly by a rising total assets turnover, which is represented under column 2, and was accentuated slightly by investment management, which appears under column 4.

The sales management measure Net Profit Before Taxes As a Percent of Net Sales was off by 37% for an eleven year low of 1.64%. The asset management measure Net Profit Before Taxes As a Percent of Total Assets was also off by 37% for an eleven year low of 6.86%.

Return On Capital Employed was down by 34%, or 6.60 points, to 12.59%. This value also was the lowest in eleven years.

1982's profitability debacle came after three years of rising profitability rates and can be traced to demand so weak that margins shrank.

EXHIBIT 10

INDUSTRIAL PAPER MERCHANTS' PROFIT MODEL PERFORMANCE[1]
(Composite Average Values)[2]

	(1) NET PROFIT BEFORE TAX / NET SALES (%)	x	(2) NET SALES / TOTAL ASSETS (X)	=	(3) NET PROFIT BEFORE TAX / TOTAL ASSETS (%)	x	(4) TOTAL ASSETS / NET WORTH (X)	=	(5) NET PROFIT BEFORE TAX / NET WORTH (%)	(6) RETURN ON CAPITAL EMPLOYED[3] (%)
1982	1.64		4.20		6.86		1.92		13.48	12.59
1981	2.62		4.16		10.90		1.99		22.06	19.19
1980	2.54		4.00		10.17		2.12		21.63	18.17
1979	2.31		3.93		9.07		2.03		18.69	15.95
1978	2.17		4.04		8.74		1.99		17.39	14.74
1977	2.53		3.83		9.49		2.00		18.97	18.69
1976	3.31		3.69		12.22		2.09		25.55	20.1
1975	3.65		3.71		13.56		2.11		28.57	23.6
1974	4.33		3.54		15.31		2.20		33.74	25.8
1973	2.63		3.32		8.73		2.21		19.33	15.1

[1]See Appendix C for a discussion of the MFI Profit Model.
[2]The measures shown under columns 1-5 are computed individually. Therefore, the values in column 3 are the result of dividing Net Profit Before Tax by Total Assets and are not the result of multiplying column 1's values by column 2's values; the values in column 5 are the result of dividing Net Profit Before Tax by Net Worth and are not the result of multiplying column 3's values by column 4's values.
[3]Return on Capital Employed was defined in 1977 and prior years as "net profit before taxes plus interest on borrowed funds minus income from outside investments" divided by "net worth, or owner's equity, plus long term debt minus outside investments". In 1978 and later years, Bank Loans Due in Less Than One Year was added to the denominator of the ratio (the capital invested) to recognize that some, if not most, of the total interest paid by the typical paper distributor resulted from bank loans. See Appendix D for a complete definition of the measure.

PROFIT MARGIN MANAGEMENT

Exhibit 11A presents ten key measures of profit margin management in three summary areas, namely, in sales profitability performance, in operating expense control and in personnel productivity performance.

Before 1978, merchant sales were studied in terms of two sales paths, i.e., as warehouse sales and as direct sales. Starting with the report for 1978, merchants separated indirect sales from warehouse sales so that sales are now studied in terms of four paths, that is to say, in terms of warehouse and direct sales as before and also in terms of indirect and warehouse + indirect sales. The 1977, and earlier, Warehouse Gross Margin -- % Warehouse Sales values are similar by definition to the 1978, and later, Warehouse + Indirect Gross Margin -- % Warehouse + Indirect sales values. (Forty-one questionnaires reported warehouse gross margin data, twenty-three provided indirect gross margin data, seventy summarized warehouse + indirect gross margin data and

fifty-eight reported direct gross margin data.) Since 1978, there has been more continuity and also comparability within each sales path group than among the groups.

The four measures of sales profitability dropped in 1982, with three reaching record lows. Whse + Ind Gross Margin -- % Whse + Ind Sales fell by 1.8 points to 23.0%; moreover, Direct Gross Margin -- % Direct Sales fell by 3.2 points to 11.6%. With the sharp fall off in the warehouse part of the business, the direct path grew in regard to its percentage of sales contributions; however, gross margin contributions remained flat as Direct Gross Margin -- % Total Gross Margin went from 14.38% in 1981 to 14.09% in 1982, while Whse + Ind Gross Margin -- % Total Gross Margin went from 85.62% in 1981 to 85.91% in 1982. The new sales path mix's ability to generate gross profit dollars was surprisingly weakened.

EXHIBIT 11A

PROFIT MARGIN PERFORMANCE MEASURES FOR INDUSTRIAL PAPER MERCHANTS
(All Values Are Composite Averages)

PROFITABILITY[1]	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
WAREHOUSE GROSS MARGIN -- $ WHSE SALES ($)	23.7	26.2	25.3	24.5	23.8	24.3	25.2	25.0	25.5	23.1	
INDIRECT GROSS MARGIN -- $ INDIRECT SALES ($)	--	--	--	--	--	22.9	25.1	25.7	26.4	24.3	
WHSE & IND GROSS MARGIN -- $ WHSE & IND SALES ($)	--	--	--	--	--	23.6	24.4	25.4	24.8	23.0	
DIRECT GROSS MARGIN -- $ DIRECT SALES ($)	13.2	13.7	13.9	12.4	13.8	14.2	15.3	14.1	14.8	11.6	
OPERATING EXPENSE CONTROL											
OPERATING EXPENSE -- $ OF GROSS MARGIN ($)	88.4	81.4	85.3	86.9	89.2	90.7	89.0	89.3	89.7	95.1	
NON-PEOPLE EXPENSE -- $ OF GROSS MARGIN ($)	--	--	--	--	--	--	--	27.5	26.1	27.8	
TOTAL EMPLOYEE COMPENSATION -- $ GROSS MARGIN ($)	63.8	59.0	61.7	65.2	65.6	64.3	63.3	61.4	63.6	65.4	
PERSONNEL PRODUCTIVITY											
NET SALES PER EMPLOYEE ($000)	99.5	109.8	123.1	132.6	134.7	139.9	150.8	159.0	180.0	204.6	
GROSS MARGIN PER EMPLOYEE ($000)	--	--	--	--	29.8	30.3	33.7	36.6	40.6	41.6	
SALES SVC & SELL EXPENSE -- $ GROSS MARGIN ($)	36.7	34.1	35.0	35.9	35.7	36.9	36.2	36.1	35.5	38.6	

[1]This survey studied only warehouse and direct sales until indirect sales were separated and excluded from warehouse sales starting with data for 1978. Thus, the published values for 1977 and earlier years are not directly comparable with values for 1978 and later years. However, values for 1978 and later years are mutually comparable.

In 1982, operating expense control performance measures showed the results of trying to pay for operations with fewer gross profit dollars. Operating Expense As a Percent of Gross Margin rose to a record high of 95.1%.

New Personnel productivity values, such as, Net Sales, and Gross Margin, Per Employee suggest work force reductions.

Exhibit 11B reports values for six measures that may be used in goal setting.

EXHIBIT 11B

SOME PROFIT MARGIN PERFORMANCE GOALS FOR INDUSTRIAL PAPER MERCHANT FIRMS
(Based on 1982 Business Conditions & Performances)

	UPPER QUARTILE[1] OF ALL INDUSTRIAL PAPER FIRMS	MEDIAN[2] OF HIGH PROFIT (ROTA) GROUP
PROFITABILITY		
WHSE IP GM -- % WHSE IP SALES (%)	26.44	25.00
DIR IP GM -- % DIR IP SALES (%)	16.57	10.89
OPERATING EXPENSE CONTROL		
OPERATING EXPENSES -- % GROSS MARGIN (%)	87.78	85.01
NON-PEOPLE EXPENSES -- % GROSS MARGIN (%)	24.05	23.31
TOTAL COMPENSATION -- % GROSS MARGIN (%)	60.02	61.44
PERSONNEL PRODUCTIVITY		
GROSS MARGIN PER EMPLOYEE ($)	48,360	39,600

[1]After individual company values have been calculated and ordered by size, the value standing in the middle of the upper half of values is the upper quartile. The upper quartile is the average of the values in the 25th + 26th positions in a set of 100 all firms' values.

[2]After individual company values have been calculated and ordered by size, the value standing in the middle of the top quarter of values is the median of the high profit group. The median of the high profit group is the average of the values in the 12th + 13th positions in a set of 100 ROTA profit group firms' values (See Appendix B for ROTA Profit Groups).

ASSET MANAGEMENT PERFORMANCE

Exhibit 12A presents four key asset management performance measures in three summary asset management areas.

The most comprehensive asset management measure reported is Net Sales To Total Assets, or Total Assets Turnover. In 1982, the industrial paper merchants' Total Assets Turnover increased for the third consecutive year to 4.20X for the highest value for the last ten years.

In 1982, values of inventory management performance measures dropped by near record amounts to ten year lows. Inventory Turnover was one full turn lower at 6.07X. Gross Margin Return on Inventory was one quarter lower at 182%.

Accounts receivable management performance weakened slightly as the average collection period lengthened out 0.4 days to 38.6 days.

Exhibit 12B offers some possible asset management goals for industrial paper merchants.

EXHIBIT 12A

ASSET MANAGEMENT PERFORMANCE MEASURES FOR INDUSTRIAL PAPER MERCHANTS
(All Values Are Composite Averages)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
OVERALL ASSET MANAGEMENT											
NET SLS TO TOTAL ASSETS (X)	3.32	3.54	3.71	3.69	3.83	4.02	3.93	4.00	4.16	4.20	
INVENTORY MANAGEMENT											
INVENTORY TURNOVER (X)[1]	6.78	6.52	6.54	7.45	6.89	7.57	6.44	6.61	7.07	6.07	
GROSS MARGIN RETURN ON INVENTORY ($)[2]	211	232	222	242	247	243	217	221	242	182	
ACCOUNTS RECEIVABLE MANAGEMENT											
AV. COLLECTION PERIOD (DAYS)[3]	40	35	35	33	36.1	40.1	40.5	39.4	38.2	38.6	

[1] Inventory Turnover is calculated as Cost of Warehouse Goods Sold to Average Inventory (average of beginning and ending inventories for the year). However, remember that the definition of warehouse sales was narrowed to exclude indirect sales for 1978 and later years.

[2] Gross Margin Return On Inventory is defined as Gross Margin On Warehouse Sales divided by Average Inventory. Starting with the 1978 data, indirect sales were separated and excluded from warehouse sales. Thus, the above values for 1977 and earlier years are not directly comparable with the values for 1978 and later years. However, the values for 1978 and later years are mutually comparable.

[3] The calculation approach used for each measure is defined in Appendix D.

EXHIBIT 12B

SOME ASSET MANAGEMENT PERFORMANCE GOALS FOR INDUSTRIAL PAPER MERCHANT FIRMS
(Based on 1982 Business Conditions & Performances)

	UPPER QUARTILE[1] OF ALL INDUSTRIAL PAPER FIRMS	MEDIAN[2] OF HIGH PROFIT (ROTA) GROUP
OVERALL ASSET MANAGEMENT		
NET SALES TO TOTAL ASSETS (X)	5.11	5.17
INVENTORY MANAGEMENT		
INVENTORY TURNOVER (X)	9.99	9.23
GROSS MARGIN RETURN ON INVENTORY (%)	320.9	316.1
ACCOUNTS RECEIVABLE MANAGEMENT		
DAYS SALES IN ACCOUNTS RECEIVABLE ON NOV. 30 (DAYS)[3]	29.4	31.9

[1]The upper quartile is the value standing in the middle of the top half of the ordered values. In a set of about 100 values, the upper quartile is about 25th from the top.

[2]The median of the high profit group (See Appendix B for the ROTA Profit Groups) is the value standing in the middle of the top quarter of the ordered values. In a set of about 100 values, the median of the high profit group is about 12th from the top.

[3]This is a more precisely defined measure of collection period than Exhibit 12A's Average Collection Period which is based on sales for the year. Days Sales... is calculated by dividing credit sales for Oct. + Nov. by 61 to get a more accurate measure of average credit sales per day and then dividing this value into the trade notes and accounts receivable (after reserve for bad debts) on Nov. 30.

FINANCIAL MANAGEMENT

Exhibit 13 presents four measures of financial management performance in two summary areas.

Industrial merchants restructured their debt slightly in 1982 increasing their current debt as a percent of net worth.

Liquidity changed a little. Current Assets Minus Inventory To Current Debt eased slightly to 1.34X, while Days Payables Outstanding On Dec. 31 fell a day for the second year in a row to 21.3 days.

EXHIBIT 13

FINANCIAL MANAGEMENT MEASURES FOR INDUSTRIAL PAPER MERCHANTS
(All Values Are Medians)

	1978	1979	1980	1981	1982
FINANCIAL LEVERAGE					
TOTAL DEBT TO NET WORTH (%)	102.4	108.7	111.2	88.5	88.2
CURRENT DEBT TO NET WORTH (%)	74.4	74.4	71.3	67.7	70.5
ABILITY TO PAY CURRENT DEBTS					
CURRENT ASSETS MINUS INVENTORY TO CURRENT DEBT (X)	1.29	1.24	1.32	1.38	1.34
DAYS PAYABLES OUTSTANDING ON DEC. 31 (DAYS)	22.5	25.1	23.3	22.3	21.3

CHAPTER FOUR DUAL PAPER MERCHANT PERFORMANCE

Dual paper merchants are distributors providing the full spectrum of paper products who obtain less than 80% of their total sales dollars from the sale of either printing or industrial papers. (See Appendix A for the characteristics of merchants studied in these reports.)

SALES PERFORMANCE

After years of sales increases running ahead of inflation, 1982's sales volume change was a negative value as far below zero as inflation, as measured by the urban CPI, was above zero. That is to say, dual paper merchants reported dollar sales volume changes for 1982 of -4.23% while the urban CPI increased 3.9%. This sales decline, which was accompanied by relatively stable margins and prices is a general cause of declining profitability.

EXHIBIT 14

SALES PERFORMANCE MEASURES FOR DUAL PAPER MERCHANTS
(All Values Are Composite Averages)[1]

PERFORMANCE MEASURES	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
% SALES CHANGE OVER PRIOR YEAR (%)	--	--	--	--	11.6	13.0	14.2	11.54	8.42	-4.23	
WAREHOUSE SALES[2] -- % TOTAL SALES (%)	57.2	53.0	58.9	56.5	58.7	53.3	58.1	55.24	55.20	61.31	
INDIRECT SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	6.8	7.1	6.41	7.19	7.97	
WHSE & IND SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	59.6	63.1	61.65	62.01	68.80	
DIRECT SALES[2] -- % TOTAL SALES (%)	--	--	--	--	--	40.4	36.9	38.35	37.99	31.20	
AVERAGE WAREHOUSE ORDER SIZE ($)	114	162	167	185	209	212	234	282	304	283	
AVERAGE INDIRECT ORDER SIZE ($)	--	--	--	--	--	513	535	624	635	548	
AVERAGE WHSE & IND ORDER SIZE ($)	--	--	--	--	--	222	248	298	319	298	
AVERAGE DIRECT ORDER SIZE ($)	1,169	1,744	1,693	1,658	2,110	2,266	2,424	2,796	2,948	2,193	

Sources: Values for 1976 and earlier: Price Waterhouse and NPTA.
Values for 1977 and later: Management Foresight, Inc.

[1]See Appendix B for a discussion of composite averages.

[2]As discussed in Appendix E, the addition of an "indirect sales" category reduced the comparability of the 1978, and later, sales values to the 1977, and earlier, results. However, the 1978 and later results are mutually comparable

Merchants use three different methods to distribute paper, and each method involves different merchant functions. This survey studies distribution methods as sales paths, namely, as warehouse sales, as indirect sales and as direct sales. Warehouse sales are sales of products from inventory in the merchant's warehouse. The merchant's prices and margins on warehouse sales contain factors covering the storage, handling, delivery, selling and administrative functions involved. Indirect sales are sales of products that the merchant receives from the manufacturer and immediately delivers to his customers without adding them to his inventory. The merchant's prices and margins on indirect sales contain factors to cover the handling, delivery, selling and administrative functions involved. Direct sales are sales of products that are shipped from the manufacturer to the merchant's customers. The merchant's prices and margins on direct sales contain factors to cover the delivery, selling and administrative functions involved. Sales path margins are reported in the section on profit management; and, sales path percentages of total sales are reported here.

Merchants' sales through each of these paths are studied as percentages of total sales. In 1982, significant shifts occurred among the sales paths' percentages of total sales. Dual merchants did much less direct business. Direct sales fell to 31.20% to total sales while warehouse + indirect sales rose proportionally to 68.80% of total sales. Average order sizes declined for the first year in ten. More importantly, Average Direct Order Size dropped by a fourth to $2,193. Although this publication does not regularly report it, it should be observed that the sales contribution measure Direct Sales As A Percent Of Total Sales went from 37.99% in 1981 to 31.20% in 1982, while the gross margin contribution measure Direct Gross Margin As A Percent Of Total Gross Margin went from 18.55% in 1981 to 15.82% in 1982. The decline in direct order average size is a specific cause of the declines in sales and profits.

PROFITABILITY PERFORMANCE

The profit model studies the performance of the distribution firm (and industry) in light of its production of profit or increase in resources. (See Appendix C for a discussion of the profit model.) The model is comprehensive; it studies a firm's profit performance on its sales management, on its management of assets as resources used in generating those sales and on its management of assets as they are subject to creditor/ owner claims.

The measure Return On Net Worth (RONW) combines sales management performance and investment management performance. Exhibit 15 reports RONW under column 5 as the measure Net Profit Before Taxes As a Percentage of Net Worth. Dual paper merchants' RONW declined for the second year in a row by close to four points to 20.86% for the lowest value since 1973. According to the profit model, this decline was not due to investment management performance, which is reported under column 4 as the financial leverage multiplier, because the multiplier value increased. The cause of RONW's decrease is to be found through the performance area measure represented under column 3 and in the performance area shown under column 1.

The measure Net Profit Before Taxes As a Percent of Total Assets, which is also known as Return On Total Assets (ROTA), appears under column 3. ROTA combines the sales and assets management performances reflected in RONW, but it does so without the influence that investment management exerts on RONW. ROTA decreased by 4.18 points to 10.58% for the second lowest value for the last ten years. Now, the ROTA value is sensitive to assets management performance, which is reported under column 2, and sales management performance, which is shown under column 1. Asset management performance increased slightly in 1982 and could not have depressed either the ROTA or RONW values, although it did not significantly enhance them. Sales management

performance dropped moreover by almost a third, i.e., by 0.91 points to 2.23% for the lowest value in a decade. According to the profit model, sales management performance deterioration is the cause of ROTA and RONW declines.

Dual merchants' Return On Capital Employed decreased by 3.65 points to 18.24% for the second lowest value in ten years.

In sum, dual paper merchants' profitability declined in 1982 to record lows on weak sales, especially, on shrinking direct sales business.

EXHIBIT 15

DUAL PAPER MERCHANTS' PROFIT MODEL PERFORMANCE[1]
(Composite Average Values)[2]

	(1) NET PROFIT BEFORE TAX / NET SALES (%)	x	(2) NET SALES / TOTAL ASSETS (X)	=	(3) NET PROFIT BEFORE TAX / TOTAL ASSETS (%)	x	(4) TOTAL ASSETS / NET WORTH (X)	=	(5) NET PROFIT BEFORE TAX / NET WORTH (%)	(6) RETURN ON CAPITAL EMPLOYED[3] (%)
1982	2.23		4.70		10.58		1.96		20.86	18.24
1981	3.14		4.69		14.76		1.85		24.56	21.89
1980	3.42		4.66		15.32		1.84		28.14	24.41
1979	3.41		4.32		14.22		1.87		26.56	23.72
1978	2.85		4.57		12.40		1.94		23.99	20.23
1977	2.65		4.53		12.29		1.90		23.40	20.72
1976	2.71		4.48		12.13		1.98		23.95	19.6
1975	3.53		4.29		15.16		2.29		34.71	25.5
1974	4.29		4.74		20.34		2.04		41.44	34.1
1973	2.73		4.01		10.93		1.78		19.46	18.1

[1]See Appendix C for a discussion of the MFI Profit Model.
[2]The measures shown under columns 1-5 are computed individually. Therefore, the values in column 3 are the result of dividing Net Profit Before Tax by Total Assets and are not the result of multiplying column 1's values by column 2's values; the values in column 5 are the result of dividing Net Profit Before Tax by Net Worth and are not the result of multiplying column 3's values by column 4's values.
[3]Return on Capital Employed was defined in 1977 and prior years as "net profit before taxes plus interest on borrowed funds minus income from outside investments" divided by "net worth, or owner's equity, plus long term debt minus outside investments." In 1978 and later years, Bank Loans Due in Less Than One Year was added to the denominator of the ratio (the capital invested) to recognize that some, if not most, of the total interest paid by the typical paper distributor resulted from bank loans. See Appendix D for a complete definition of the measures.

PROFIT MARGIN MANAGEMENT

Exhibit 16 presents ten key measures of profit margin management in three summary areas, namely, in sales profitability performance, in operating expense control and in personnel productivity performance.

Before 1978, merchant sales were studied in terms of two sales paths, i.e., as warehouse sales and as direct sales. Starting with the report for 1978, merchants separated indirect sales from warehouse sales so that sales are now studied in terms of four paths, that is to say, in terms of warehouse and direct sales as before and also in terms of indirect and warehouse + indirect sales.

EXHIBIT 16

PROFIT MARGIN PERFORMANCE MEASURES FOR DUAL PAPER MERCHANTS
(All Values Are Composite Averages)

PROFITABILITY[1]	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
WAREHOUSE GROSS MARGIN -- % WHSE SALES (%)	23.5	25.4	24.5	23.1	22.3	22.4	23.4	23.6	22.6	22.7	
INDIRECT GROSS MARGIN -- % INDIRECT SALES (%)	--	--	--	--	--	17.4	18.3	17.9	17.5	18.3	
WHSE & IND GROSS MARGIN -- % WHSE & IND SALES (%)	--	--	--	--	--	22.6	22.9	23.1	22.3	22.3	
DIRECT GROSS MARGIN -- % DIRECT SALES (%)	8.8	9.2	9.0	8.1	7.9	8.6	9.1	8.5	8.3	9.2	
OPERATING EXPENSE CONTROL											
OPERATING EXPENSE -- % OF GROSS MARGIN (%)	83.4	75.2	81.0	84.3	84.5	83.2	82.1	81.4	83.1	87.8	
NON-PEOPLE EXPENSE -- % OF GROSS MARGIN (%)	--	--	--	--	--	--	--	24.1	26.7	28.5	
TOTAL EMPLOYEE COMPENSATION -- % GROSS MARGIN (%)	58.1	52.8	57.4	59.7	59.1	60.8	57.6	57.4	56.7	60.4	
PERSONNEL PRODUCTIVITY											
NET SALES PER EMPLOYEE ($000)	130	167	156	179	191	211	233	242.5	255.6	258.9	
GROSS MARGIN PER EMPLOYEE ($000)	--	--	--	--	31.5	35.2	40.7	44.1	46.7	47.0	
SALES SVC & SELL EXPENSE -- % GROSS MARGIN (%)	33.7	31.1	33.7	34.7	34.7	34.1	33.3	35.2	36.1	36.7	

[1]This survey studied only warehouse and direct sales until indirect sales were separated and excluded from warehouse sales starting with data for 1978. Thus, the published values for 1977 and earlier years are not directly comparable with values for 1978 and later years. However, values for 1978 and later years are mutually comparable.

Gross margin performance measures for dual merchants increased in 1982; these increases were led by a 0.9 point increase in direct sales' Direct Gross Margin Percent Of Direct Sales. This strengthening of direct sales margins offset neither the drop in average order size nor the declines in sales and gross margin contributions. The measure Warehouse Gross Margin As a Percent of Warehouse Sales increased to 22.7%; Indirect Gross Margin As a Percent of Indirect Sales increased to 18.3%; while, for a slightly larger reporting population, Warehouse + Indirect Gross Margin As a Percent of Warehouse + Indirect Sales remained at 22.3%.

In 1982, operating expense control performance measures reflected dual merchants' weakened operating profitability. Operating Expense As a Percent of Gross Margin increased by 4.7 points to 87.8% for the highest value of the last ten years. Within this overall expense category, non-people expense increase to 28.5% of gross margins and total compensation increased similarly to 60.4% of gross margins.

Personnel productivity changes in 1982 were less favorable than at any time in the last decade. Net Sales Per Employee increased, although by the smallest increment of the last ten years, to $258,900; Gross Margin Per Employee increased by the smallest increment of the last five years to $47,000; while, Sales Service and Selling Expense As a Percentage of Gross Margin continued a three year long trend rising to 36.7%.

EXHIBIT 17

ASSET MANAGEMENT PERFORMANCE MEASURES FOR DUAL PAPER MERCHANTS
(All Values Are Composite Averages)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	YOUR FIRM
OVERALL ASSET MANAGEMENT											
NET SLS TO TOTAL ASSETS (X)	4.01	4.74	4.29	4.48	4.53	4.57	4.32	4.66	4.69	4.70	
INVENTORY MANAGEMENT											
INVENTORY TURNOVER (X)[1]	5.09	5.08	4.70	5.03	5.83	5.72	5.48	5.02	5.34	5.75	
GROSS MARGIN RETURN ON INVENTORY ($)[2]	156	175	152	151	174	165	167	155	156	169	
ACCOUNTS RECEIVABLE MANAGEMENT											
AV. COLLECTION PERIOD (DAYS)[3]	42	35	39	37	39.7	39.6	40.3	38.4	37.5	37.0	

[1]Inventory Turnover is calculated as Cost of Warehouse Goods Sold to Average Inventory (average of beginning and ending inventories for the year). However, remember that the definition of warehouse sales was narrowed to exclude indirect sales for 1978 and later years.

[2]Gross Margin Return On Inventory is defined as Gross Margin On Warehouse Sales divided by Average Inventory. Starting with the 1978 data, indirect sales were separated and excluded from warehouse sales. Thus, the above values for 1977 and earlier years are not directly comparable with the values for 1978 and later years. However, the values for 1978 and later years are mutually comparable.

[3]The calculation approach used for each measure is defined in Appendix D.

ASSET MANAGEMENT PERFORMANCE

Exhibit 17 presents four key asset management performance measures in three summary asset management areas. The 1982 values compare well with previous years results.

The most comprehensive asset management measure reported is Net Sales To Total Assets. or Total Assets Turnover. In 1982, the Total Assets Turnover increased to 4.70X, which was the second highest value for the decade.

In 1982, the values of inventory management performance measures increased. Inventory Turnover rose to 5.75X, which was the second highest amount for the last ten years. Gross Margin Return on Inventory rose to 169% for the third highest value for the reported decade.

Accounts receivable management performance improved in 1982 for the third year in a row. The Average Collection Period decreased to 37.0 days tying with 1976 for the second best performance for 1973-82.

FINANCIAL MANAGEMENT

Exhibit 18 presents four measures of financial management performance in two summary areas.

The measure Total Debt To Net Worth dropped to a five year low of 49.2%. Current Debt To Net Worth fell to 46.2% also for a five year low.

Industry liquidity showed mixed results in 1982. The measure Current Assets Minus Inventory To Current Debts rose to 1.78X for a five year high. Days Payables Outstanding on December 31, however, lengthened slightly to 18.4 days for the second shortest period in recent years.

EXHIBIT 18

FINANCIAL MANAGEMENT MEASURES FOR DUAL PAPER MERCHANTS
(All Values Are Medians)

	1978	1979	1980	1981	1982
FINANCIAL LEVERAGE					
TOTAL DEBT TO NET WORTH (%)	69.8	102.9	101.2	69.0	49.2
CURRENT DEBT TO NET WORTH (%)	58.5	74.4	76.4	52.5	46.2
ABILITY TO PAY CURRENT DEBTS					
CURRENT ASSETS MINUS INVENTORY TO CURRENT DEBT (X)	1.44	1.37	1.51	1.61	1.78
DAYS PAYABLES OUTSTANDING ON DEC. 31 (DAYS)	20.5	21.5	19.8	18.1	18.4

LIST OF SUMMARY TABLES

1 MERCHANT COMMODITY GROUPS' PERFORMANCE MEASURES SUMMARIZING 1982 OPERATIONS

2A PRINTING PAPER MERCHANTS' PERFORMANCE MEASURES SUMMARIZING ALL FIRMS AND PROFITABILITY GROUPS
2B PRINTING PAPER MERCHANTS' PERFORMANCE MEASURES SUMMARIZING SALES VOLUME AND EMPHASIS GROUPS
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3A INDUSTRIAL PAPER MERCHANTS' PERFORMANCE MEASURES SUMMARIZING ALL FIRMS AND PROFITABILITY GROUPS
3B INDUSTRIAL PAPER MERCHANTS' PERFORMANCE MEASURES SUMMARIZING SALES VOLUME AND EMPHASIS GROUPS
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4A DUAL MERCHANTS' PERFORMANCE MEASURES SUMMARIZING ALL FIRMS AND PROFITABILITY GROUPS
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5 CONDENSED OPERATING STATEMENTS FOR PRINTING, INDUSTRIAL AND DUAL PAPER MERCHANTS

6 COMPOSITE BALANCE SHEETS FOR PRINTING, INDUSTRIAL AND DUAL PAPER MERCHANTS

ABBREVIATIONS USED IN TABLES

ACCTS REC	= ACCOUNTS RECEIVABLE
EXP	= EXPENSE
GM	= GROSS MARGIN, GROSS TRADING MARGIN
IND	= INDIRECT
INV	= INVENTORY
IP	= INDUSTRIAL PAPER
%	= PERCENT
PP	= PRINTING PAPER
NPBT	= NET PROFIT BEFORE TAXES
SLS	= SALES
WHSE	= WAREHOUSE

TABLE 1

MERCHANT COMMODITY GROUPS'* PERFORMANCE MEASURES** (COMPOSITE MEANS) SUMMARIZING 1982 OPERATIONS

PERFORMANCE MEASURE	ALL PAPER MERCHANTS	ALL PRINTING PAPER MERCHANTS	ALL INDUSTRIAL PAPER MERCHANTS	ALL DUAL PAPER MERCHANTS
1. RETURN ON CAPITAL EMPLOYED (%)	16.82	17.97	12.59	18.24
2. NPBT AS % NET WORTH (%)	17.42	18.04	13.48	20.86
3. TOTAL ASSETS TO NET WORTH (X)	1.87	1.82	1.92	1.96
4. NPBT AS % TOTAL ASSETS (%)	9.27	9.67	6.86	10.58
5. NPBT AS % NET SALES (%)	2.06	2.10	1.64	2.23
6. NPBT AS % NET SALES (LIFO ADJ; %)	2.04	2.11	1.59	2.19
7. NET SALES TO TOTAL ASSETS (X)	4.48	4.58	4.20	4.70
8. WHSE GM AS % WHSE SALES (%)	23.06	23.34	23.11	22.66
9. WHSE & IND GM AS % WHSE & IND SLS (%) .	22.80	22.93	22.97	22.27
10. DIRECT GM AS % DIRECT SALES (%)	8.12	7.06	11.61	9.22
11. WHSE & IND SLS AS % TOTAL SLS (%)	59.77	48.42	75.47	68.80
12. % SLS CHANGE OVER PRIOR YEAR (%)	1.50	4.91	3.52	-4.23
13. NET SALES PER EMPLOYEE ($000)	284.87	358.82	204.57	258.87
14. GM PER EMPLOYEE ($000)	47.99	52.92	41.62	46.99
15. PAYROLL AS % GM (%)	51.53	49.70	57.22	50.78
16. SLS SERVICE & SELLING EXP AS % GM (%) .	37.84	38.46	38.64	36.65
17. OPERATING EXP AS % GM (%)	88.88	86.55	95.13	87.78
18. INV TURNOVER (WHSE ONLY; X)	5.38	4.95	6.07	5.75
19. GM RETURN ON INV (WHSE ONLY; %)	161.35	150.75	182.36	168.61
20. DAYS SLS IN ACCTS REC ON NOV 30 (DAYS).	41.78	41.82	36.29	38.74

*Appendix B sets forth the formation and measure of merchant commodity groups.

**Appendix D defines the performance measures.

TABLE 2A

PRINTING PAPER MERCHANTS' PERFORMANCE MEASURES* (COMPOSITE MEANS+) SUMMARIZING ALL FIRMS AND PROFITABILITY (ROTA**) GROUPS

PERFORMANCE MEASURE	YOUR FIRM	ALL PRINTING PAPER MERCHANTS	RETURN ON TOTAL ASSET GROUPS FOR ALL PRINTING PAPER MERCHANTS** LOW PROFIT GROUP	MIDDLE PROFIT GROUP	HIGH PROFIT GROUP
1. RETURN ON CAPITAL EMPLOYED (%)		17.97	9.48	16.79	28.42
2. NPBT AS % NET WORTH (%)		18.04	-1.60	16.74	27.28
3. TOTAL ASSETS TO NET WORTH (X)		1.82	3.93	1.58	1.45
4. NPBT AS % TOTAL ASSETS (%)		9.67	-0.74	10.46	18.88
5. NPBT AS % NET SALES (%)		2.10	-0.16	2.25	4.24
6. NPBT AS % NET SALES (LIFO ADJ;%)		2.11	-0.12	2.24	4.25
7. NET SALES TO TOTAL ASSETS (X)		4.58	4.57	4.66	4.45
8. WHSE GM AS % WHSE SALES (%)		23.34	20.32	23.54	25.85
9. WHSE & IND GM AS % WHSE & IND SLS (%)		22.93	20.67	22.94	24.93
10. DIRECT GM AS % DIRECT SALES (%)		7.06	7.86	6.46	7.25
11. WHSE & INDIRECT SALES AS % TOTAL SALES (%)		48.42	39.85	51.96	49.77
12. % SALES CHANGE OVER PRIOR YEAR (%)		4.91	9.39	3.07	4.33
13. NET SALES PER EMPLOYEE ($000)		358.82	380.55	344.65	369.13
14. GM PER EMPLOYEE ($000)		52.93	49.33	51.79	59.25
15. PAYROLL AS % GM (%)		49.70	53.70	50.91	44.60
16. SALES SERVICE & SELLING EXP AS % GM (%)		38.46	41.85	38.55	34.97
17. TOTAL OPERATING EXP AS % GM (%)		86.55	95.30	87.36	77.10
18. INV TURNOVER (WHSE ONLY; X)		4.95	6.12	4.77	4.51
19. GM RETURN ON INV (WHSE ONLY; %)		150.75	156.18	146.89	157.30
20. DAY SALES IN ACCTS REC ON NOV 30 (DAYS)		41.82	49.36	38.20	42.20

*Appendix D defines the performance measures.

+These composite mean values are mutually comparable, however comparisons with previous years' median values should be made with caution.

**Appendix B sets forth the formation and measure of profitability groups, namely, of Return on Total Assets (ROTA) groups.

TABLE 2B

PRINTING PAPER MERCHANTS' PERFORMANCE MEASURES* (COMPOSITE MEANS+) SUMMARIZING SALES VOLUME AND EMPHASIS GROUPS**

PERFORMANCE MEASURE	YOUR FIRM	SALES VOLUME GROUPS				WAREHOUSE, INDIRECT & DIRECT SALES EMPHASIS GROUPS			
		UNDER $8MM	$8 TO $15MM	$15 TO $45MM	$45MM & OVER	OVER 70% DIRECT	30-55% WHSE & INDIRECT	55-70% WHSE & INDIRECT	70+% WHSE & INDIRECT
1. RETURN ON CAPITAL EMPLOYED (%)		8.84	11.14	16.83	19.51	17.90	20.06	14.86	18.32
2. NPBT AS % NET WORTH (%)		16.42	8.84	16.90	19.42	18.43	20.23	14.18	18.85
3. TOTAL ASSETS TO NET WORTH (X)		1.84	1.95	1.82	1.81	3.18	1.80	1.45	1.46
4. NPBT AS % TOTAL ASSETS (%)		3.98	6.11	8.98	10.75	5.80	10.87	9.38	12.41
5. NPBT AS % NET SALES (%)		1.07	1.21	1.87	2.42	1.17	2.10	2.29	3.40
6. NPBT AS % NET SALES (LIFO ADJ;%)		1.01	1.13	1.89	2.44	1.19	2.10	2.27	3.44
7. NET SALES TO TOTAL ASSETS (X)		4.24	4.89	4.81	4.44	4.97	5.12	4.12	3.60
8. WHSE GM AS % WHSE SALES (%)		24.50	24.51	24.00	22.76	20.03	23.37	24.62	23.67
9. WHSE & IND GM AS % WHSE & IND SLS (%)		23.31	23.28	23.45	22.53	20.45	23.22	23.40	23.18
10. DIRECT GM AS % DIRECT SALES (%)		7.59	7.91	6.96	6.98	7.39	6.40	7.45	9.07
11. WHSE & INDIRECT SALES AS % TOTAL SALES (%)		66.89	55.26	52.31	44.46	22.46	45.13	60.71	82.98
12. % SALES CHANGE OVER PRIOR YEAR (%)		3.89	0.56	1.28	7.68	15.88	3.04	-2.54	4.01
13. NET SALES PER EMPLOYEE ($000)		259.34	315.41	356.02	375.77	555.36	409.88	305.76	214.74
14. GM PER EMPLOYEE ($000)		46.95	51.75	55.43	52.20	57.32	57.34	52.38	44.56
15. PAYROLL AS % GM (%)		48.35	49.56	49.76	49.79	51.12	48.20	49.37	50.71
16. SALES SERVICE & SELLING EXP AS % GM (%)		35.68	39.29	37.44	39.06	45.15	36.41	37.13	37.68
17. TOTAL OPERATING EXP AS % GM (%)		94.36	91.09	88.81	83.86	86.16	87.31	86.99	85.04
18. INV TURNOVER (WHSE ONLY; X)		5.26	4.57	6.12	4.48	5.94	4.86	4.94	4.70
19. GM RETURN ON INV (WHSE ONLY; %)		170.77	148.52	193.23	131.82	148.82	148.13	161.33	145.72
20. DAY SALES IN ACCTS REC ON NOV 30 (DAYS)		44.24	44.97	34.82	45.65	50.35	35.96	43.39	43.41

* *Appendix D defines the performance measures.
+These composite mean values are mutually comparable, however comparisons with previous years' median values should be made with caution.
**Appendix B sets forth the formation and measure of sales volume and emphasis groups.

Table 2C
PRINTING PAPER MERCHANTS'
PERFORMANCE MEASURES* (COMPOSITE MEANS**)
SUMMARIZING NPTA REGIONAL GROUPS

NPTA Regions

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA
Region 3: AL, FL, GA, NC, SC, TN, & VA
Region 4: IL, IN, KY, MI, MO, OH, WV, & WI
Region 5: CO, IA, KS, MN, MT, NE, ND, SD & WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA
Region 7: AR, LA, MS, OK & TX

PERFORMANCE MEASURE	YOUR FIRM	REGIONAL GROUPS FOR ALL PRINTING PAPER MERCHANTS						
		REGION 1	REGION 2	REGION 3	REGION 4	REGION 5	REGION 6	REGION 7
1. RETURN ON CAPITAL EMPLOYED (%)		13.42	14.91	21.59	20.96	24.06	18.61	N.C+
2. NPBT AS % NET WORTH (%)		13.20	14.56	20.92	19.73	26.18	19.32	N.C.
3. TOTAL ASSETS TO NET WORTH (X)		1.55	2.00	1.80	1.58	1.76	1.56	N.C.
4. NPBT AS % TOTAL ASSETS (%)		8.50	7.14	11.45	10.70	14.10	12.38	N.C.
5. NPBT AS % NET SALES (%)		1.84	1.37	2.39	2.04	3.21	2.89	6.39
6. NPBT AS % NET SALES (LIFO ADJ;%)		1.82	1.42	2.38	1.93	3.21	2.97	6.39
7. NET SALES TO TOTAL ASSETS (X)		4.64	5.21	4.59	5.13	4.39	4.29	N.C.
8. WHSE GM AS % WHSE SALES (%)		N.C.+	23.45	23.24	25.13	26.42	23.61	N.C.
9. WHSE & IND GM AS % WHSE & IND SLS (%)		23.70	23.09	22.24	24.32	25.49	22.58	24.86
10. DIRECT GM AS % DIRECT SALES (%)		7.74	6.86	6.51	7.18	7.30	5.93	6.69
11. WHSE & INDIRECT SALES AS % TOTAL SALES (%)		56.44	36.37	64.57	48.80	48.20	53.11	69.09
12. % SALES CHANGE OVER PRIOR YEAR (%)		4.01	3.67	-1.30	0.57	1.26	0.59	2.06
13. NET SALES PER EMPLOYEE ($000)		319.21	450.76	270.19	361.14	371.51	383.19	278.21
14. GM PER EMPLOYEE ($000)		53.46	57.74	45.07	56.15	59.70	56.61	53.54
15. PAYROLL AS % GM (%)		48.38	52.73	47.72	48.32	47.42	44.88	42.09
16. SALES SERVICE & SELLING EXP AS % GM (%)		35.86	42.95	33.29	38.59	40.38	31.25	33.33
17. TOTAL OPERATING EXP AS % GM (%)		88.42	91.37	85.26	87.57	80.08	86.03	71.88
18. INV TURNOVER (WHSE ONLY; X)		N.C.	6.86	5.35	4.79	4.05	4.00	N.C.
19. GM RETURN ON INV (WHSE ONLY; %)		N.C.	210.27	161.99	160.69	145.33	123.50	N.C.
20. DAY SALES IN ACCTS REC ON NOV 30 (DAYS)		47.79	35.49	42.98	42.10	45.35	44.08	40.53

*Appendix D defines the performance measures.

**These composite mean values are mutually comparable, however comparisons with previous years' median values should be made with caution.

+Not calculated if less than four firms reported data.

TABLE 3A

INDUSTRIAL PAPER MERCHANTS' PERFORMANCE MEASURES* (COMPOSITE MEANS) SUMMARIZING ALL FIRMS AND PROFITABILITY (ROTA**) GROUPS

PERFORMANCE MEASURE	YOUR FIRM	ALL INDUSTRIAL PAPER MERCHANTS (WEIGHTED MEAN)	RETURN ON TOTAL ASSET GROUPS FOR ALL INDUSTRIAL PAPER MERCHANTS** LOW PROFIT GROUP	MIDDLE PROFIT GROUP	HIGH PROFIT GROUP
1. RETURN ON CAPITAL EMPLOYED (%)		12.59	-0.84	14.75	30.73
2. NPBT AS % NET WORTH (%)		13.48	-1.84	15.87	33.40
3. TOTAL ASSETS TO NET WORTH (X)		1.92	2.03	1.92	1.69
4. NPBT AS % TOTAL ASSETS (%)		6.86	-1.21	8.25	19.73
5. NPBT AS % NET SALES (%)		1.64	-0.30	2.04	4.09
6. NPBT AS % NET SALES (LIFO ADJ;%)		1.59	-0.27	1.95	4.03
7. NET SALES TO TOTAL ASSETS (X)		4.20	4.14	4.04	4.83
8. WHSE GM AS % WHSE SLS (%)		23.11	20.27	24.55	25.69
9. WHSE & IND GM AS % WHSE & IND SLS (%)		22.97	20.57	23.12	26.19
10. DIRECT GM AS % DIRECT % SLS (%)		11.61	10.00	12.93	13.19
11. WHSE & IND SLS AS % TOTAL SLS (%)		75.47	66.83	80.17	79.66
12. % SLS CHANGE OVER PRIOR YEAR (%)		3.52	-0.09	7.23	3.31
13. NET SALES PER EMPLOYEE ($000)		204.57	227.46	186.54	201.86
14. GM PER EMPLOYEE ($000)		41.62	39.30	40.76	47.17
15. TOTAL PAYROLL AS % GM (%)		57.22	60.98	56.68	55.86
16. SLS SERVICE & SELLING EXP AS % GM (%)		38.64	41.21	37.07	38.18
17. TOTAL OPERATING EXP AS % GM (%)		95.13	107.39	91.93	86.38
18. INV TURNOVER (WHSE ONLY; X)		6.07	4.88	6.95	7.99
19. GM RETURN ON INV (WHSE ONLY, %)		182.36	124.26	226.01	276.19
20. DAY SLS IN ACCTS REC ON NOV 30 (DAYS)		36.29	36.53	37.03	34.24

*Appendix D defines the performance measures.

**Appendix B sets forth the formation and measure of profitability groups, namely, of Return on Total Assets (ROTA) groups.

TABLE 3B

INDUSTRIAL PRINTING PAPER MERCHANTS' PERFORMANCE MEASURES* (COMPOSITE MEANS) SUMMARIZING SALES VOLUME AND EMPHASIS GROUPS**

PERFORMANCE MEASURE	YOUR FIRM	SALES VOLUME GROUPS				WAREHOUSE-INDIRECT SALES EMPHASIS GROUPS		
		UNDER $3.0MM	$3.0 TO $5.5MM	$5.5 TO $10MM	OVER $10MM	UNDER 75% WHSE & INDIRECT	75% TO 90% WHSE & INDIRECT	90% & OVER WHSE & INDIRECT
1. RETURN ON CAPITAL EMPLOYED (%)		11.27	7.74	11.52	13.11	7.63	17.55	15.33
2. NPBT AS % NET WORTH (%)		14.73	7.92	13.22	13.72	8.41	19.02	17.42
3. TOTAL ASSETS TO NET WORTH (X)		2.01	2.50	2.16	1.86	1.87	1.92	2.10
4. NPBT AS % TOTAL ASSETS (%)		4.97	3.17	5.35	7.39	4.17	9.93	8.25
5. NPBT AS % NET SALES (%)		1.31	0.99	1.27	1.73	0.99	2.39	1.92
6. NPBT AS % NET SALES (LIFO ADJ;%)		1.36	1.07	1.32	1.66	0.93	2.33	1.95
7. NET SALES TO TOTAL ASSETS (X)		3.79	3.57	4.21	4.26	4.23	4.15	4.29
8. WHSE GM AS % WHSE SLS (%)		23.21	24.42	25.47	22.68	22.01	24.57	23.15
9. WHSE & IND GM AS % WHSE & IND SLS (%)		23.91	23.91	24.40	22.68	22.67	23.53	22.35
10. DIRECT GM AS % DIRECT % SLS (%)		13.79	13.95	16.54	11.03	10.99	13.26	12.86
11. WHSE & IND SLS AS % TOTAL SLS (%)		90.87	78.67	81.04	73.97	64.73	83.39	95.49
12. % SLS CHANGE OVER PRIOR YEAR (%)		4.23	1.93	1.47	3.89	-0.32	8.17	10.57
13. NET SALES PER EMPLOYEE ($000)		144.73	190.59	170.93	216.07	229.25	178.91	188.45
14. GM PER EMPLOYEE ($000)		33.26	41.68	39.13	42.67	42.39	41.19	41.31
15. TOTAL PAYROLL AS % GM (%)		53.68	57.81	59.50	56.96	60.12	54.79	55.37
16. SLS SERVICE & SELLING EXP AS % GM (%)		34.94	39.54	39.76	38.63	40.75	36.88	35.00
17. TOTAL OPERATING EXP AS % GM (%)		93.34	94.78	95.04	95.25	100.46	89.84	92.03
18. INV TURNOVER (WHSE ONLY; X)		7.77	7.92	7.08	5.82	5.18	6.91	9.09
19. GM RETURN ON INV (WHSE ONLY, %)		234.79	255.88	241.81	170.90	146.16	224.86	273.70
20. DAY SLS IN ACCTS REC ON NOV. 30 (DAYS)		31.98	35.60	38.70	36.16	38.88	35.83	32.49

*Appendix D defines the performance measures.

**Appendix B sets forth the formation and measure of sales volume and emphasis groups.

TABLE 3C

INDUSTRIAL PAPER MERCHANTS'

PERFORMANCE MEASURES* (COMPOSITE MEANS)

SUMMARIZING NPTA REGIONAL GROUPS

NPTA Regions

Region 1: CT, ME, MA, NH, RI & VT

Region 2: DE, DC, MD, NJ, NY & PA

Region 3: AL, FL, GA, NC, SC, TN, & VA

Region 4: IL, IN, KY, MI, MO, OH, WV, & WI

Region 5: CO, IA, KS, MN, MT, NE, ND, SD & WY

Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA

Region 7: AR, LA, MS, OK & TX

	PERFORMANCE MEASURE	YOUR FIRM	REGIONAL GROUPS FOR ALL INDUSTRIAL PAPER MERCHANTS REGION 1	REGION 2	REGION 3	REGION 4	REGION 5	REGION 6	REGION 7
1.	RETURN ON CAPITAL EMPLOYED (%)		N.C.+	15.35	19.03	15.59	22.07	5.87	2.81
2.	NPBT AS % NET WORTH (%)		N.C.	17.04	19.90	16.99	21.25	5.20	N.C.+
3.	TOTAL ASSETS TO NET WORTH (X)		N.C.	1.91	1.60	1.96	1.70	1.99	N.C.
4.	NPBT AS % TOTAL ASSETS (%)		N.C.	8.93	12.43	8.66	12.46	2.43	4.07
5.	NPBT AS % NET SALES (%)		N.C.	2.13	2.71	2.15	2.58	0.56	1.00
6.	NPBT AS % NET SALES (LIFO ADJ;%)		N.C.	2.08	2.72	2.07	2.59	0.57	0.59
7.	NET SALES TO TOTAL ASSETS (X)		N.C.	4.21	4.59	4.02	4.83	4.34	4.06
8.	WHSE GM AS % WHSE SLS (%)		N.C.	24.48	24.15	23.54	N.C.+	21.37	N.C.
9.	WHSE & IND GM AS % WHSE & IND SLS (%)		N.C.	23.06	24.95	22.36	22.68	21.83	N.C.
10.	DIRECT GM AS % DIRECT SLS (%)		N.C.	10.36	11.20	12.92	N.C.	10.99	N.C.
11.	WHSE & IND SLS AS % TOTAL SLS (%)		N.C.	81.55	79.92	79.82	92.76	65.65	N.C.
12.	% SLS CHANGE OVER PRIOR YEAR (%)		N.C.	3.27	5.22	1.41	3.01	0.82	2.00
13.	NET SALES PER EMPLOYEE ($000)		N.C.	186.30	157.42	206.80	218.76	251.29	N.C.
14.	GM PER EMPLOYEE ($000)		N.C.	40.98	33.76	43.20	48.26	45.50	N.C.
15.	TOTAL PAYROLL AS % GM (%)		N.C.	55.48	57.65	58.68	56.53	59.28	61.31
16.	SLS SERVICE & SELLING EXP AS % GM (%)		N.C.	36.04	39.75	40.73	34.36	41.64	N.C.
17.	TOTAL OPERATING EXP AS % GM (%)		N.C.	90.46	91.17	92.25	90.99	103.22	100.98
18.	INV TURNOVER (WHSE ONLY; X)		N.C.	7.77	6.22	7.79	N.C.	5.02	N.C.
19.	GM RETURN ON INV (WHSE ONLY; %)		N.C.	251.64	198.23	239.75	N.C.	136.61	N.C.
20.	DAYS SLS IN ACCTS REC ON NOV. 30 (DAYS)		N.C.	38.35	30.70	33.21	25.48	43.52	34.84

*Appendix D defines the performance measures.

+Not calculated if less than four data provided.

TABLE 4A

DUAL MERCHANTS' PERFORMANCE MEASURES* (COMPOSITE MEANS) SUMMARIZING ALL FIRMS AND PROFITABILITY (ROTA**) GROUPS

PERFORMANCE MEASURE	YOUR FIRM	ALL DUAL PAPER MERCHANTS	RETURN ON TOTAL ASSET GROUPS FOR ALL DUAL PAPER MERCHANTS** LOW PROFIT GROUP	MIDDLE PROFIT GROUP	HIGH PROFIT GROUP
1. RETURN ON CAPITAL EMPLOYED (%)		18.24	8.21	17.37	28.72
2. NPBT AS % NET WORTH (%)		20.86	3.46	19.65	32.32
3. TOTAL ASSETS TO NET WORTH (X)		1.96	2.64	1.99	1.56
4. NPBT AS % TOTAL ASSETS (%)		10.58	1.26	9.12	21.28
5. NPBT AS % NET SALES (%)		2.23	0.28	2.00	4.07
6. NPBT AS % NET SALES (LIFO ADJ;%)		2.19	0.28	1.94	4.07
7. NET SALES TO TOTAL ASSETS (X)		4.70	4.55	4.55	5.23
8. WHSE GM AS % WHSE SALES (%)		22.66	22.60	22.42	23.40
9. WHSE & IND GM AS & WHSE & IND SLS (%)		22.27	22.25	22.02	23.10
10. DIRECT GM AS % DIRECT SLS (%)		9.22	8.45	9.68	8.78
11. WHSE & IND SLS AS % TOTAL SLS (%)		61.31	58.25	65.27	53.35
12. % SLS CHANGE OVER PRIOR YEAR (%)		-4.23	0.45	-6.99	-0.50
13. NET SALES PER EMPLOYEE ($000)		258.87	259.47	247.32	306.45
14. GM PER EMPLOYEE ($000)		46.99	46.14	46.20	51.35
15. TOTAL PAYROLL AS % GM (%)		50.78	55.13	51.36	46.29
16. SLS SERVICE & SELLING EXP AS % GM (%)		36.65	37.07	36.79	35.98
17. TOTAL OPERATING EXP AS % GM (%)		87.78	95.03	89.49	78.17
18. INV TURNOVER (WHSE ONLY; X)		5.75	4.51	6.03	6.06
19. GM RETURN ON INV (WHSE ONLY; %)		168.61	131.57	174.33	185.00
20. DAYS SLS IN ACCTS REC ON NOV. 30 (DAYS)		38.74	40.74	39.48	35.77

*Appendix D defines the performance measures.

**Appendix B sets forth the formation and measure of profitability groups, namely, of Return on Total Assets (ROTA) groups.

TABLE 4B

DUAL MERCHANTS' PERFORMANCE MEASURES* (COMPOSITE MEANS) SUMMARIZING SALES VOLUME AND EMPHASIS GROUPS**

PERFORMANCE MEASURE	YOUR FIRM	SALES VOLUME GROUPS			WAREHOUSE-INDIRECT SALES EMPHASIS GROUPS		
		UNDER $10MM	$10 TO $60MM	$60MM & OVER	UNDER 65% WHSE & INDIRECT	65% TO 80% WHSE & INDIRECT	80% & Over WHSE & INDIRECT
1. RETURN ON CAPITAL EMPLOYED (%)		11.60	20.25	17.83	19.79	17.94	16.55
2. NPBT AS % NET WORTH (%)		10.97	22.83	21.13	21.36	21.11	19.56
3. TOTAL ASSETS TO NET WORTH (X)		1.49	1.72	2.25	1.93	1.84	2.19
4. NPBT AS % TOTAL ASSETS (%)		8.24	14.15	8.70	11.27	10.80	9.08
5. NPBT AS % NET SALES (%)		1.47	2.80	1.94	2.06	2.24	2.36
6. NPBT AS % NET SALES (LIFO ADJ;%)		1.38	2.78	1.90	2.08	2.14	2.34
7. NET SALES TO TOTAL ASSETS (X)		4.77	5.05	4.47	5.47	4.74	3.78
8. WHSE GM AS % WHSE SLS (%)		22.68	23.28	22.29	21.25	23.25	22.95
9. WHSE & IND GM AS & WHSE & IND SLS (%)		22.14	23.05	21.78	21.23	22.64	22.71
10. DIRECT GM AS % DIRECT SLS (%)		10.34	9.38	8.96	8.36	9.91	11.29
11. WHSE & IND SLS AS % TOTAL SLS (%)		63.53	58.44	62.87	47.22	64.48	76.49
12. % SLS CHANGE OVER PRIOR YEAR (%)		1.39	-0.97	-7.12	-7.53	-3.58	0.35
13. NET SALES PER EMPLOYEE ($000)		221.42	280.45	251.97	330.30	251.37	198.97
14. GM PER EMPLOYEE ($000)		42.93	50.79	45.32	50.24	48.89	41.54
15. TOTAL PAYROLL AS % GM (%)		49.30	48.90	52.94	51.41	50.72	49.83
16. SLS SERVICE & SELLING EXP AS % GM (%)		36.15	36.57	36.79	37.86	35.64	37.36
17. TOTAL OPERATING EXP AS % GM (%)		92.35	85.04	89.00	86.30	89.32	87.17
18. INV TURNOVER (WHSE ONLY; X)		6.02	5.92	5.63	5.01	6.39	5.58
19. GM RETURN ON INV (WHSE ONLY; %)		176.64	180.14	161.56	135.11	194.21	166.20
20. DAYS SLS IN ACCTS REC ON NOV. 30 (DAYS)		42.17	38.06	38.74	40.17	37.87	37.82

*Appendix D defines the performance measures.

**Appendix B sets forth the formation and measure of sales volume and emphasis groups.

TABLE 4C

DUAL PAPER MERCHANTS'

PERFORMANCE MEASURES* (COMPOSITE MEANS)

SUMMARIZING NPTA REGIONAL GROUPS

NPTA Regions

Region 1: CT, ME, MA, NH, RI & VT

Region 2: DE, DC, MD, NJ, NY & PA

Region 3: AL, FL, GA, NC, SC, TN, & VA

Region 4: IL, IN, KY, MI, MO, OH, WV, & WI

Region 5: CO, IA, KS, MN, MT, NE, ND, SD & WY

Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA

Region 7: AR, LA, MS, OK & TX

PERFORMANCE MEASURE	YOUR FIRM	REGIONAL GROUPS FOR ALL DUAL PAPER MERCHANTS						
		REGION 1	REGION 2	REGION 3	REGION 4	REGION 5	REGION 6	REGION 7
1. RETURN ON CAPITAL EMPLOYED (%)		23.06	23.04	15.72	21.59	16.41	N.C.+	21.97
2. NPBT AS % NET WORTH (%)		28.76	22.81	18.30	24.22	16.11	N.C.	26.44
3. TOTAL ASSETS TO NET WORTH (X)		2.54	1.67	2.28	1.60	1.65	N.C.	1.79
4. NPBT AS % TOTAL ASSETS (%)		11.31	13.69	7.98	15.02	11.86	4.52	16.20
5. NPBT AS % NET SALES (%)		2.70	2.25	1.97	2.57	2.44	0.95	3.21
6. NPBT AS % NET SALES (LIFO ADJ;%)		2.73	2.20	1.99	2.55	2.44	0.77	3.22
7. NET SALES TO TOTAL ASSETS (X)		4.19	6.09	4.04	5.74	4.87	4.77	4.60
8. WHSE GM AS % WHSE SLS (%)		N.C.+	24.45	21.84	21.38	24.88	N.C.	24.80
9. WHSE & IND GM AS % WHSE & IND SLS (%)		21.37	23.78	21.88	21.33	23.45	21.66	24.42
10. DIRECT GM AS % DIRECT SLS (%)		10.33	8.72	11.03	8.62	10.47	8.44	9.36
11. WHSE & IND SLS AS % TOTAL SLS (%)		N.C.	56.50	71.32	46.52	59.81	N.C	69.39
12. % SLS CHANGE OVER PRIOR YEAR (%)		-29.91	0.28	-0.27	-0.65	0.48	-6.46	-2.65
13. NET SALES PER EMPLOYEE ($000)		279.05	277.38	211.60	317.19	248.48	262.16	232.95
14. GM PER EMPLOYEE ($000)		49.17	50.57	40.67	48.53	50.81	47.92	48.08
15. TOTAL PAYROLL AS % GM (%)		47.32	48.04	55.37	50.79	51.05	53.02	46.09
16. SLS SERVICE & SELLING EXP AS % GM (%)		33.21	35.61	39.31	38.38	38.80	33.61	35.58
17. TOTAL OPERATING EXP AS % GM (%)		83.51	86.42	87.73	84.78	89.69	94.73	83.76
18. INV TURNOVER (WHSE ONLY; X)		N.C.	10.41	5.43	5.22	5.60	N.C.	5.39
19. GM RETURN ON INV (WHSE ONLY; %)		N.C.	336.78	151.83	141.93	185.56	N.C.	177.82
20. DAYS SLS IN ACCTS REC ON NOV. 30 (DAYS)		45.58	42.29	39.20	38.27	35.25	39.61	34.57

*Appendix D defines the performance measures.

+Not calculated if less than four data provided.

TABLE 5

CONDENSED OPERATING STATEMENTS FOR PRINTING, INDUSTRIAL & DUAL PAPER MERCHANTS
(WEIGHTED MEANS & MEDIANS -- % OF NET SALES*)

OPERATING STATEMENT	ALL PRINTING PAPER MERCHANTS		ALL INDUSTRIAL PAPER MERCHANTS		ALL DUAL PAPER MERCHANTS	
	WEIGHTED MEAN	MEDIAN	WEIGHTED MEAN	MEDIAN	WEIGHTED MEAN	MEDIAN
TOTAL SALES (%)	100.00	100.00	100.00	100.00	100.00	100.00
TOTAL COST OF GOODS SOLD (%)	85.31	83.70	77.39	79.58	80.61	80.36
GROSS TRADING MARGIN (%)	14.69	16.30	22.61	20.42	18.26	19.64
TOTAL OPERATING EXPENSES	12.72	14.21	20.82	19.43	16.02	17.10
NET OPERATING PROFIT (%)	1.98	1.72	1.67	0.99	2.23	2.13
FINANCIAL GAINS						
CASH DISCOUNTS EARNED (%)	1.47	1.45	1.07	1.06	1.26	1.20
INCOME FROM OUTSIDE INVESTMENTS (%)	0.05	0.00	0.00	0.16	0.08	0.00
ALL OTHER GAINS (%)	0.33	0.09	0.10	0.49	0.15	0.18
TOTAL FINANCIAL GAINS (%)	1.82	1.60	1.22	1.55	1.45	1.33
FINANCIAL LOSSES						
CASH DISCOUNTS ALLOWED (%)	1.13	1.16	0.43	0.52	0.96	0.96
INTEREST ON BORROWED CAPITAL (%)	0.79	0.42	0.50	0.56	0.68	0.32
ALL OTHER LOSSES (%)	0.06	0.00	0.00	0.12	0.05	0.00
TOTAL FINANCIAL LOSSES (%)	1.70	1.64	0.94	0.91	1.46	0.97
NET FINANCIAL GAIN OR LOSS (%)	0.12	-0.02	0.21	0.64	0.00	0.43
NET PROFIT BEFORE TAXES (%)	2.10	1.74	1.56	1.64	2.23	3.12
CORPORATE INCOME TAXES (%)	0.95	0.79	0.54	0.98	1.15	1.41
NET PROFIT AFTER TAXES (%)	0.94	0.90	1.16	1.17	1.21	1.74

*The percentages may not add to exactly 100% because some firms did not report some items.

TABLE 6

COMPOSITE BALANCE SHEETS FOR PRINTING, INDUSTRIAL & DUAL PAPER MERCHANTS
(WEIGHTED MEANS AS % OF TOTAL ASSETS*)

BALANCE SHEET	ALL PRINTING PAPER MERCHANTS	ALL INDUSTRIAL PAPER MERCHANTS	ALL DUAL PAPER MERCHANTS
ASSETS			
CASH & MARKETABLE SECURITIES (%)	1.00	4.68	-1.62
ACCOUNTS & NOTES RECEIVABLE, TRADE (%) .	58.09	45.55	50.56
INVENTORY (%)	28.92	34.49	37.31
OTHER CURRENT ASSETS (%)	2.43	1.85	2.58
TOTAL CURRENT ASSETS (%)	90.27	86.57	88.83
NET FIXED ASSETS (%)	7.37	10.84	9.97
OUTSIDE INVESTMENTS (%)	1.27	1.15	0.29
OTHER NON-CURRENT ASSETS (%)	1.09	1.45	0.92
TOTAL ASSETS (%)	100.00	100.00	100.00
LIABILITIES AND NET WORTH			
ACCOUNTS PAYABLE (%)	26.88	28.38	22.82
BANK LOANS (LESS THAN ONE YEAR) (%)	6.46	2.37	4.50
OTHER CURRENT LIABILITIES (%)	5.53	9.98	8.21
TOTAL CURRENT LIABILITIES (%)	38.89	40.74	36.32
LONG TERM LIABILITIES (%)	7.62	7.24	11.11
CAPITAL & SURPLUS (EQUITY) (%)	53.22	52.04	53.24
TOTAL LIABILITIES & NET WORTH (%)	100.00	100.00	100.00

*The percentages may not add to exactly 100% because some firms did not report some items.

APPENDIX A

CHARACTERISTICS OF THE PARTICIPANTS
IN THE NPTA/MFI 1978-82 ANNUAL PERFORMANCE SURVEYS

NUMBER OF SURVEY FORMS IN THE DATA BASE

SURVEY YEAR	1978	1979	1980	1981	1982
PRINTING EMPHASIS	76	94	102	97	99
INDUSTRIAL EMPHASIS	80	103	81	75	75
DUAL EMPHASIS	55	77	63	71	71
TOTAL	211	274	246	243	245

MEDIAN SALES OF PARTICIPANTS ($000)

SURVEY YEAR	1978	1979	1980	1981	1982
PRINTING EMPHASIS	12,799	12,160	16,096	14,612	16,895
INDUSTRIAL EMPHASIS	3,899	4,617	6,440	6,727	7,488
DUAL EMPHASIS	14,578	13,852	14,428	12,539	12,532

TOTAL SALES OF PARTICIPANTS ($000)

SURVEY YEAR	1978	1979	1980	1981	1982
PRINTING EMPHASIS	1,470,211	2,002,022	2,666,498	2,476,786	3,110,473
INDUSTRIAL EMPHASIS	529,838	727,101	732,080	755,234	1,147,055
DUAL EMPHASIS	2,768,496	3,197,200	2,652,981	2,499,820	1,943,188
TOTAL	4,768,544	5,926,323	6,051,559	5,731,840	6,200,716

PERCENTAGE OF TOTAL SALES REPRESENTED BY EACH GROUP

SURVEY YEAR	1978	1979	1980	1981	1982
PRINTING EMPHASIS	30.83%	33.78%	44.06%	43.21%	50.16%
INDUSTRIAL EMPHASIS	11.11%	12.27%	12.10%	13.18%	18.50%
DUAL EMPHASIS	58.06%	53.95%	43.84%	43.61%	31.34%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

APPENDIX B

SURVEY METHODOLOGY

For 1976 and prior years, the NPTA Survey results published in Paper Merchant Performance were developed from data submitted by the member firms to Price Waterhouse & Company. Price Waterhouse accumulated this financial information and submitted "summary totals" and "certain averages" to NPTA. The summary data were grouped and developed by NPTA. (See page 68 of the 1977 edition of Paper Merchant Performance for details.)

For 1977-1982, all data were submitted to Management Foresight, Inc. (MFI) of Columbus, Ohio; MFI calculated all results.

When there is a change from one survey approach to another, there are potential continuity problems. Therefore, the remainder of the appendix will discuss the 1977-1982 methodology in some detail and, as appropriate, the methodology used in earlier years.

CALCULATION APPROACHES

In 1977-1982, medians, quartiles, and composite averages were used as statistical measures. Most of the results in the Exhibits which form the basis for most of the discussion in the main body of the report are composite averages. Most of the results in the supplementary tables of this report and of the individual PAR Reports are presented as medians.

COMPOSITE AVERAGES

A composite average is an excellent measure of how a group of firms is doing as a whole. It is calculated by first adding together all appropriate dollar values or other values such as number of people and then calculating the ratio or performance measure. For example, to calculate the composite average Net Profit Before Taxes to Net Sales for All Paper Merchant Firms in Exhibit 2, the Net Profit Before Taxes for all firms were added together, the Net Sales for all firms were added together, and the following calculation was made:

$$\frac{\text{NET PROFIT BEFORE TAXES}}{\text{NET SALES}} = \frac{\text{Total NET PROFIT BEFORE TAXES for All Firms in the Survey}}{\text{Total NET SALES for All Firms}}$$

As an example, the 1977 dollar values are shown below:

$$\frac{\text{Total NET PROFIT BEFORE TAXES for All Firms}}{\text{Total NET SALES for All Firms}} = \frac{\$\ 99,348,500}{3,763,119,920} = 2.64\%$$

If a firm did not supply all of the data needed for a particular calculation, then none of its data were used to develop the industry totals for that particular measure (if it supplied the needed data for other measures, then its data would be used to calculate those measures).

MEDIAN AND QUARTILE VALUES

Three values are generally reported for each performance measure in the PAR Reports. They are the upper quartile value -- the median figure -- and the lower quartile value. The results presented in Tables 1 through 6 of this report are generally medians.

For any given performance measure, these three figures are calculated by, first, arraying (or arranging) all the numerical values of the performance measure as calculated for each firm in numerical order from the strongest to the weakest. The figure that falls in the middle of the array, or the listing of values, is the median. One-half of the firms had stronger performance and one-half of the firms had weaker performance.

The word "Quartile" implies that something is broken down into quarter segments. The upper quartile value is the figure one-quarter of the way down from the very strongest number. Or, it is the figure halfway between the very strongest and the median value. The lower quartile figure would be the value one-quarter up from the very weakest ratio. It is the figure halfway between the median and the weakest value.

The presentation and use of median-quartile values minimizes the distortion caused by one firm reporting a very unusual value for a performance measure due to a mistake or because of some special circumstances. For example, a new firm that had sustained several years of losses might have a very small owners's equity--say $10. If the firm recovered and acheived a profit of, say $100,000, the calculated return on net worth would be $100,000/$10, or 1,000,000%. Thus, an average type of summary measure could be seriously distorted. The methodology of identifying the median is, on the other hand, not as sensitive to such unusual figures; it treats an unusually large quantity the same as it treats any other figure above the median. For most applications, this results in more meaningful comparative values.

In addition, the median value is more representative of how individual firms (or division) have performed. While a composite average is dominated by the results of the larger firms, large and small firms have the same influence on a median. Therefore, it is desirable to examine both the median and the composite average for important performance measures.

Because of the approach used, the firm whose performance was the median for one performance measure may be, and probably is, different than the firm which was the median for another measure. This occurs because all of the values are resorted and independent medians and quartiles are calculated for each performance measure. Thus, there is no single upper quartile firm -- or median firm -- or lower quartile firm in this report.

For 1977 and 1978, firms were asked to report for their operations in each of the six NPTA Regions. Thus, a firm with operations in only one region submitted one survey form. A firm with operations in two, or more, NPTA regions submitted either one form for all its operations, or individual forms for its regional operations. In 1979, firms were allowed to report on a branch basis if complete branch data could be provided. Since 1979, there have been seven NPTA Regions.

THE ORGANIZATION OF INFORMATION

This survey sets up four major groups of firms by commodity line:

GROUP I: ALL PAPER MERCHANTS takes all reporting firms together without regard to commodity line specialization.

GROUP II: PRINTING PAPER MERCHANTS takes together all firms obtaining 80%, or more, of their total sales from the sale of printing papers.

GROUP III: INDUSTRIAL PAPER MERCHANTS takes together all firms obtaining 80%, or more, of their total sales from the sale of industrial papers.

GROUP IV: DUAL PAPER MERCHANTS takes together all firms obtaining less than 80% of their total sales from the sale of either printing or industrial papers.

Before any further calculations were made, the reporting firms were sorted into two of the four groups above. Groups Two, Three and Four were also sorted into five subgroups.

GROUP I - ALL PAPER MERCHANTS

Summary performance measures were calculated for All Paper Merchant firms as a group. None of the subgroupings were used for this group.

GROUP II - PRINTING PAPER MERCHANTS

The Printing Paper Merchant firms were sorted into five types of subgroups:

1. One (1) All Reporting Printing Paper Emphasis Firms Group

2. Seven (7) NPTA Geographic Regions Groups

3. Four (4) Sales Volume Groups
   - $0.0 - 8.0 Million in Sales
   - $8.0 - 15 Million in Sales
   - $15 - 45 Million in Sales
   - Over $45 Million in Sales

4. Three (3) Return On Total Assets (ROTA) Groups. The printing paper firms were sorted into three profitability groups based upon their return before taxes on total assets. In effect, each performance measure is shown as a median value for the top 25% of the printing paper firms in terms of profitability, for the middle 50% and for the bottom 25%. (ROTA sorting is discussed later in this appendix.)

5. Four (4) Warehouse-Indirect-Direct Sales Path Groupings. The printing paper firms were sorted into four sales paths because many performance measures differ significantly depending on warehouse-indirect-direct sales mixes. The following criteria produced subgroups of approximately the same size.

70%, or More	Direct Sales
30-55%	Warehouse and Indirect Sales
55-70%	Warehouse and Indirect Sales
70%, or More	Warehouse and Indirect Sales

GROUP III - INDUSTRIAL PAPER MERCHANTS

The Industrial Paper Merchants were sorted into five types of subgroups:

1. One (1) All Reporting Industrial Paper Emphasis Firms Group

2. Seven (7) NPTA Geographic Regional Groups

3. Four (4) Sales Volume Groups
   - $0.0 - 3.0 Million in Sales
   - $3.0 - 5.5 Million in Sales
   - $5.5 - 10 Million in Sales
   - Over $10 Million in Sales

4. Three (3) Return On Total Assets (ROTA) Groups. The industrial paper firms were similarly sorted into their own profitability groups based upon the return on assets of the top 25%, middle 50%, and lower 25% of the reporting industrial merchant firms.

5. Three (3) Warehouse-Indirect Sales Path Groupings. The industrial paper firms were sorted into three warehouse-indirect sales emphasis groupings.

Under 75%	Warehouse and Indirect Sales
75% to 90%	Warehouse and Indirect Sales
90%, and Over	Warehouse and Indirect Sales

GROUP IV- DUAL PAPER MERCHANTS

The Dual Paper Merchants were sorted into five subgroups:

1. One (1) All Dual Paper Merchant Firms

2. Seven (7) NPTA Geographic Regional Groups

3. Three (3) Sales Volume Groups
   - $0.0 - 10 Million in Sales
   - $10 - 50 Million in Sales
   - Over $50 Million in Sales

4. Three (3) Return On Total Assets (ROTA) Groups.

5. Three (3) Warehouse-Indirect Sales Emphasis Groups

Under 60%	Warehouse and Indirect Sales
60 - 75%	Warehouse and Indirect Sales
Over 75%	Warehouse and Indirect Sales

RETURN ON TOTAL ASSET (ROTA) GROUPS

Return On Total Assets (ROTA) is an excellent measure of operational performance because it combines measures of profitability, i.e., Net Profit Margin, and asset management, viz., Total Asset Turnover:

Return On Total Assets = Net Profit Margin x Total Asset Turnover

$$\frac{\text{Net Profit Before Taxes}}{\text{Total Assets}} = \frac{\text{Net Profit Before Taxes}}{\text{Net Sales}} \times \frac{\text{Net Sales}}{\text{Total Assets}}$$

Firms are separated into three ROTA subgroups, representing high, middle, and low returns on total assets values, and the various performance measures are computed for each ROTA group. The discussion below and Figure 1 to the right explain how these ROTA Group measures are developed.

Firstly, calculate ROTA for each firm. (Step 1.) Secondly, arrange the ROTA values for the firms in order from highest to lowest. (Step 2.) In the example in Figure 1, the highest ROTA acheived by any firm was 22.38%, while the lowest was -8.69%. The sorting process shown in Figure 1 assumes that there are 60 firms in the sample. Three ROTA groups are defined using the upper and lower quartile values as the cutoff points. (Step 3.)

	Number of Firms in Groups	Ranges of ROTA Values for Firms in Groups
High ROTA Groups	15	10.69% to 22.38%
Middle ROTA Groups	30	3.53% to 10.69%
Low ROTA Groups	15	-8.68% to 3.53%

These three groups of firms remain fixed for all following calculations.

After establishing the three ROTA groups, the median for each performance measure is calculated for each group. For example, the Gross Profit Margin (%) of each firm in each group is calculated. (Step 4.) Then the Gross Profit Margin (%) values are arranged in order from highest to lowest within each group. (Step 5.) The median value is selected in each of the three groups. (Step 6.) These three median values are reported as the representative performance of each of the three ROTA groups. The determination of the median of the high ROTA group is illustrated in the figure.

The procedure in Steps 4, 5, and 6 is repeated for each performance measure for each major product emphasis group. Thus, if there are 300 performance measures in the survey, the calculation, rank ordering and median selection process would be repeated 900 times for each group to produce the median values for the three ROTA groups.

The ROTA group data are usually valuable because they reflect the different operating policies and performance levels of the low, middle, and high profit firms in a major group. ROTA group data should not be the sole basis for major policy changes, but they usually identify areas that should be explored more carefully.

FIGURE 1: DEVELOPMENT OF ROTA GROUP DATA

STEP 1 Calculate ROTA for each firm:

$$\text{ROTA} = \frac{\text{Net Profit Before Taxes}}{\text{Total Assets}} = \frac{\$70,000}{\$1,000,000} = 7.00\%$$

STEP 2 Arrange the firms' ROTA values from highest to lowest as illustrated below to the right.

STEP 3 Separate the firms into 3 groups: a HIGH ROTA GROUP composed of those firms whose ROTAs were above the industry upper quartile ROTA value (10.69% in this case); a LOW ROTA GROUP composed of those firms whose ROTAs were below the industry lower quartile ROTA value (3.53%); and a MIDDLE ROTA GROUP composed of those firms whose ROTAs were between the two quartile values (Between 3.53% and 10.69%).

STEP 4 Within each of the 3 ROTA GROUPS, calculate each performance measure.

STEP 5 Arrange the results from high to low in each of the 3 groups for each measure.

STEP 6 Determine the median value for <u>each</u> measure in <u>each</u> ROTA group. This value is published as the representative performance measure for the group.

ROTA GROUP FIRM ARRAY

	HIGHEST ROTA:	22.38%
H	R G	.
I	O R	.
G	T O	.
H	A U	.
	P	.
	UPPER QUARTILE:	10.69%
M		.
I		.
D		.
D		.
L		.
E		.
R	MEDIAN	6.83%
O		.
T		.
A		.
		.
G		.
R		.
O		.
U		.
P	LOWER QUARTILE:	3.53%
L	R G	.
O	O R	.
W	T O	.
	A U	.
	P	.
	LOWEST ROTA:	-8.69%

ILLUSTRATION OF THE MEDIAN OF THE HIGH ROTA GROUP

	<u>High ROTA Group</u>
The Highest ROTA	22.38%
	.
	.
THE MEDIAN OF HIGH ROTA GROUP	15.21%
	.
	.
The Upper Quartile ROTA	10.69%

APPENDIX C

MFI PROFIT MODEL

The profit model summarizes a firm's, or an industry's, performance in three key management areas: sales profit margin management, asset management and financial position management. The model actually proceeds in two phases. Firstly, the return on sales and the asset turnover are multiplied for the return on assets. The product of this multiplication is also known as the measure Return On Total Assets (ROTA).

$$\frac{\text{Net Profit Before Taxes}}{\text{Net Sales}} \times \frac{\text{Net Sales}}{\text{Total Assets}} = \frac{\text{Net profit Before Taxes}}{\text{Total Assets}}, \text{ or (ROTA)}$$

Secondly, Return On Total Assets (ROTA) and the leverage multiplier are multiplied for the measure Return On Net Worth (RONW), that is:

ROTA x Financial Leverage Multilpier = RONW

These two phases are customarily run together in summary fasion. We will display the model and substitute values from the financial statements of the fictitious Alpha Paper Company.

Alpha Paper's Data:

Net Sales	=	$10,000,000
Net Profit Before Taxes	=	350,000
Total Assets	=	2,700,000
Total Debt	=	1,350,000
Net Worth	=	1,350,000

Alpha Paper's Profit Model:

Profit Margin On Sales	x	Total Asset Turnover	=	Return On Total Assets	x	Financial Leverage Multiplier	=	Return On Net Worth
$\frac{\text{Net profit Before Taxes}}{\text{Net Sales}}$	x	$\frac{\text{Net Sales}}{\text{Total Assets}}$	=	$\frac{\text{Net profit Before Taxes}}{\text{Total Assets}}$	x	$\frac{\text{Total Assets}}{\text{Net Worth}}$	=	$\frac{\text{Net profit Before Taxes}}{\text{Net Worth}}$
$\frac{\$ 350,000}{\$10,000,000}$	x	$\frac{\$10,000,000}{\$ 2,700,000}$	=	$\frac{\$ 350,000}{\$2,700,000}$	x	$\frac{\$2,700,000}{\$1,350,000}$	=	$\frac{\$ 350,000}{\$1,350,000}$
3.5%		3.70		12.96%		2.00		25.93%

APPENDIX D

DEFINITIONS OF PERFORMANCE MEASURES*

1. RETURN ON CAPITAL EMPLOYED (%) =

$$\frac{\text{Net Profit Before Taxes} + \text{Interest on Borrowed Capital} - \text{Income from Outside Investments}}{\text{Ending Capital and Surplus}^{**} + \text{Long Term Liabilities} + \text{Bank Loans}^{***} - \text{Outside Investments}}$$

2. NET PROFIT BEFORE TAXES AS % NET WORTH (%) =

$$\frac{\text{Net Profit Before Taxes}}{\text{Ending Capital and Surplus}^{**}}$$

3. TOTAL ASSETS TO NET WORTH (X) =

$$\frac{\text{Ending Total Assets}}{\text{Ending Capital and Surplus}^{**}}$$

4. NET PROFIT BEFORE TAXES AS % TOTAL ASSETS (%) =

$$\frac{\text{Net Profit Before Taxes}}{\text{Ending Total Assets}}$$

5. NET PROFIT BEFORE TAXES AS % NET SALES (%) =

$$\frac{\text{Net Profit Before Taxes as}}{\text{Net Sales}}$$

6. NET PROFIT BEFORE TAXES AS % NET SALES (LIFO ADJ; %) =

$$\frac{\text{Net Profit Before Taxes} + \text{Additions to (Deletions from) LIFO Reserve}}{\text{Net Sales}}$$

7. NET SALES TO TOTAL ASSETS (X) =

$$\frac{\text{Net Sales}}{\text{Ending Total Assets}}$$

8. WHSE PRINT PAPER GROSS MARGIN AS % WHSE PRINT SALES (%) =

$$\frac{\text{Gross Trading Margin on Whse Print Paper Sales}}{\text{Total Whse Print Paper Sales}}$$

9. WHSE & INDIRECT PRINT PAPER GROSS MARGIN AS % WHSE & INDIRECT PRINT PAPER SALES (%) =

$$\frac{\text{Gross Trading Margin on Whse \& Indirect Print Paper Sales}}{\text{Total Whse \& Indirect PP Sls}}$$

10. DIRECT PRINT PAPER GROSS MARGIN AS % DIRECT PRINT PAPER SALES (%) =

$$\frac{\text{Gross Trading Margin on Direct Print Paper Sales}}{\text{Total Direct Print Paper Sales}}$$

11. WHSE INDUSTRIAL PAPER GROSS MARGIN AS % WHSE INDUSTRIAL PAPER SALES (%) =

$$\frac{\text{Gross Trading Margin on Whse Industrial Paper Sales}}{\text{Total Whse IP Sales}}$$

*See the survey questionnaire in Appendix G for definitions of data inputs to these measures.

**Capital and Surplus = Common Equity = Net Worth.

***Bank Loans Due in Less Than One Year was added to the denominator in 1978.

12.	WHSE & INDIRECT INDUSTRIAL PAPER GROSS MARGIN AS % WHSE & INDIRECT IP SALES (%)	=	Gross Trading Margin on Whse & Indirect Industrial Paper Sales / Total Whse & Indirect IP Sales
13.	DIRECT INDUSTRIAL PAPER GROSS MARGIN AS % DIRECT INDUSTRIAL PAPER SALES (%)	=	Gross Trading Margin on Direct Industrial Paper Sales / Total Direct IP Sales
14.	WAREHOUSE & INDIRECT SALES AS % TOTAL SALES (%)	=	Whse & Indirect Sales / Total Net Sales
15.	PERCENT SALES CHANGE OVER PRIOR YEAR (%)	=	1982 Sales - 1981 Sales / 1981 Sales
16.	NET SALES PER EMPLOYEE ($000)	=	Total Net Sales / Av. Total No. of People Employed*
17.	GROSS MARGIN PER EMPLOYEE ($000)	=	Total Gross Margin / Av. Total No. of People Employed*
18.	TOTAL PAYROLL AS % GROSS MARGIN (%)	=	Total Payroll / Total Gross Trading Margin
19.	SALES SERVICE & SELLING EXPENSE AS % GROSS TRADING MARGIN (%)	=	Total Sales Service Expense + Total Selling Expense / Total Gross Trading Margin
20.	TOTAL OPERATING EXPENSES AS % GROSS TRADING MARGIN (%)	=	Total Operating Expenses / Total Gross Trading Margin
21.	PRINT PAPER INVENTORY TURNOVER (WHSE ONLY; %)**	=	Total Whse Print Paper Cost of Goods Sold / [Beginning of PP Inventory + Ending PP Inventory] / 2
22.	GROSS MARGIN RETURN ON ON PRINT PAPER INVENTORY (WHSE ONLY; %)**	=	Total Whse Print Paper Gross Trading Margin / [Beginning of Print Paper + Ending PP Inventory] / 2
23.	INDUSTRIAL PAPER INVENTORY TURNOVER (WHSE ONLY; X)**	=	Total Whse Industrial Paper Cost of Goods Sold / [Beginning IP Inventory + Ending IP Inventory] / 2
24.	GROSS MARGIN RETURN ON INDUSTRIAL PAPER INVENTORY (WHSE ONLY; %)**	=	Total Whse Industrial Paper Gross Trading Margin / [Beginning IP Inventory + Ending IP Inventory] / 2
25.	DAYS SALES IN ACCOUNTS RECEIVABLE ON NOVEMBER 30 (DAYS)	=	[Trade Notes & Accounts Receivable on Nov. 30, 1982] x 61 / Credit Sales for Oct. & Nov., 1982

*See page G-9 in Appendix G for a definition of total personnel.
**Indirect sales were excluded from warehouse sales for 1978-81 but not for 1977.

APPENDIX E

MAJOR CHANGES IN THE NPTA/MFI SURVEY

RECOGNITION OF INDIRECT SALES IN THE 1978 AND LATER SURVEYS

A major change was made in the NPTA Survey starting with the 1978 data year. A new category of sales, namely, indirect sales was indentified.

The Survey Form asked the participants to identify warehouse, indirect and direct sales of both printing and industrial type papers separately. The reason for this modification is that indirect sales (also called special order or in-and-out sales) have revenue and expense factors that are different from those of warehouse sales. In addition, indirect sales can have a major impact on areas such as inventory turnover. If indirect sales are counted as straight warehouse sales, they can result in a misleadingly high value for inventory turnover and a perhaps misleadingly low value for warehouse expenses.

In the company PAR, inventory turnover values were calculated both including and excluding indirect sales. In Paper Merchant Performance, only the "warehouse only" inventory turnover measure is presented in the exhibits and tables. However, other measures are discussed in the text as appropriate.

As shown below for the 1978 Survey, only about half the survey forms included warehouse and indirect sales data:

	Number of Forms Reporting Data			
	Printing	Industrial	Dual	Total
Both Warehouse and indirect Sales Data Supplied Separately	42	32	33	107
Only Total Warehouse and Indirect Sales Data Supplied	75	78	55	208

The same pattern holds for gross profit data. Thus, the more detailed "warehouse" and "indirect" sales based measures related to sales mix, gross margin, and inventory turnover should be used with care.

LIFO ADJUSTMENTS IN THE 1978 AND LATER SURVEYS

First, the LIFO method inventory valuation can create significant distortions in various performance measures, such as gross margin, net profit margin, and inventory. In response to this problem, a number of new measures that adjust for the LIFO reserve and thus put everyone on an equal reporting basis have been added to the PAR. A thorough discussion of just how this was done is outlined in Appendix F.

In addition to all the new adjusted measures, there were two calculation changes. They are:

Net Profit Before Tax -- % Total Assets (adj.)
Net Profit Before Tax -- % Net Worth (adj.)

The total amount of ending LIFO reserve was added to ending assets and ending net worth for the calculation of both of these measures. This is discussed in Appendix F.

INVENTORY IN THE 1978 AND LATER SURVEYS

Another improvement in 1978 appearing in the company PAR was the use of average monthly inventory in calculating a number of new inventory management measures. Because inventories tend to fluctuate during the year due to the seasonable nature of business, the use of an average monthly figure is often more accurate in determining turnover than using the average of beginning and ending inventories.

One of the more significant inventory measures is the Turn and Earn Profitability Index. Turn & Earn is a combined inventory and gross margin performance measure. It is a product of Gross Margin Percent On Sales and physical Inventory Turnover (rather than Warehouse Sales To Inventory) as follows:

$$\text{Turn \& Earn Profitability Index} = \frac{\text{Gross Margin on Warehouse (and Indirect) Sales}}{\text{Whse (and Indirect) Sales}} \times \frac{\text{Warehouse (and Indirect) Cost of Goods Sold}}{\text{Average (Monthly) Inventory}}$$

$$= \text{Gross Margin \% On Whse (and Indirect) Sales} \times \text{Inventory Turnover Ratio}$$

$$= \text{"EARN"} \times \text{"TURN"}$$

Here, also, inventory is assumed to support warehouse and indirect sales. Therefore, warehouse and indirect gross profit and warehouse and indirect sales are used in the calculation.

The T&E Profitability Index can be used to obtain a first approximation of the profitability of carrying different product lines. Even though it does not consider differences in operating expenses or the other-than-inventory investment requirements associated with competing product lines, it usually provides considerable insight into the relative profitability of handling different product lines.

For the most part, these more refined measures appear in the company PARs received by individual firms but are not included in the Paper Merchant Performance.

ADDITIONS APPEARING IN COMPANY PARS INTRODUCED WITH THE STUDY OF 1980 DATA

ASSET MANAGEMENT

1. AVERAGE NUMBER OF YEARS ON LIFO
2. DAYS SALES IN AVERAGE MONTHLY IP (or PP) INVENTORY
3. AVERAGE COLLECTION PERIOD (AVERAGE MONTHLY A/R; DAYS)
4. AVERAGE MONTHLY ACCOUNTS RECEIVABLE TURNOVER (X)
5. RETURN ON AVERAGE MONTHLY ACCOUNTS RECEIVABLE INVESTMENT
6. AVERAGE PAYMENT PERIOD (AVERAGE MONTHLY ACCOUNTS PAYABLE)

WAREHOUSE ONLY

7. COST OF WAREHOUSE GOODS SOLD/AVERAGE INVENTORY (X)
8. WAREHOUSE GROSS MARGIN RETURN ON AVERAGE INVENTORY (%)
9. TURN & EARN PROFITABILITY INDEX (WHSE;%)

WAREHOUSE & INDIRECT

10. COST OF WAREHOUSE & INDIRECT GOODS SOLD/AVERAGE INVENTORY (X)
11. WAREHOUSE & INDIRECT GROSS MARGIN RETURN ON AVERAGE INVENTORY (%)
12. TURN & EARN PROFITABILITY INDEX (WAREHOUSE & INDIRECT;%)
    (In the past, all the above measures have been provided on a non-LIFO basis; that is, all firms adjusted to a FIFO basis. This year the above measures have been added, which mix data on both LIFO and FIFO bases, allowing you to make comparisons.)

OTHER MEASURES

13. NET SALES TO TOTAL ASSETS (ADJ; X)
14. TOTAL ASSETS TO NET WORTH (ADJ; X)
    (These well-known measures have been calculated on a non-LIFO basis. "Adj" means LIFO firms have been adjusted to a FIFO basis and then all firms considered together. The amount of your ending LIFO reserve is added to both Assets and Net Worth before the calculation is done.)

15. CASH DISCOUNTS TAKEN -- % CASH DISCOUNTS GIVEN (%)
16. CASH & CARRY RETAIL SALES AND BACKHAUL REVENUE DETAIL
17. TOTAL OPERATING EXPENSE PER EMPLOYEE ($000)
18. FRINGE BENEFITS PER EMPLOYEE ($000)
19. NET EDP EXPENSE -- % NET SALES

CONFIDENTIAL MEASURES

20. COMPENSATION OF HIGHEST (EXCL SALESMEN; $000)
21. COMPENSATION OF HIGHEST PAID (EXCL SALESMEN -- % SALES)
22. COMPENSATION OF 2ND HIGHEST PAID (EXCL SALESMEN; $000)
23. COMPENSATION OF 2ND HIGHEST PAID (EXCL SALESMEN -- % SALES)
24. COMPENSATION OF 3RD HIGHEST PAID (EXCL SALESMEN; $000)
25. COMPENSATION OF 3RD HIGHEST PAID (EXCL SALESMEN -- % SALES)

ADDITIONS APPEARING IN COMPANY PARS INTRODUCED WITH THE STUDY OF 1981 DATA

Some seventy new measures were added to the survey of 1981 data as reported in the company PARs. The major expansion was the inclusion of market analysis information.

PRINTING PAPER COMMODITY CLASSES:
- FREE SHEET, C-2-S (%)
- BUSINESS PAPERS, SULPHITE/SULPHATE (%)
- FREE SHEET, UNCOATED (%)
- GROUNDWOOD, C-2-S (%)
- BLEACHED BRISTOL (%)
- BUSINESS PAPERS, COTTON FIBER (%)
- OTHER (%)
- TOTAL, PRINT PAPER COMMODITY CLASSES

PRINTING PAPER CUSTOMER CLASSES:
- COMMERCIAL PRINTERS (%)
- INPLANT PRINTERS (%)
- QUICK COPIERS (%)
- BUSINESS FORMS MANUFACTURERS (%)
- BUSINESS OFFICE BUYERS (%)
- BOOK PUBLISHERS (%)
- GOVERNMENTAL AGENCIES (%)
- OTHER (%)
- TOTAL, PRINT PAPER CUSTOMER CLASSES

INDUSTRIAL PAPER COMMODITY CLASSES:
- SANITARY PAPERS & PERS SERV DISPOS (%)
- FOOD SERVICE DISPOSABLES (%)
- IND PACKAGING SUPPLIES & EQUIP (%)
- JANITORIAL SUPPLIES & EQUIP (%)
- RETAIL/MATCHED PACKAGING (%)
- HEALTH CARE DISPOSABLES (%)
- OTHER (%)
- TOTAL, INDUSTRIAL COMMODITY CLASSES

INDUSTRIAL PAPER CUSTOMER CLASSES:
- FOOD & FOOD SERVICES (%)
- FAST FOOD OUTLETS (%)
- HEALTH CARE INSTITUTIONS (%)
- INDUSTRIAL MANUFACTURERS (%)
- PUBLIC INSTITUTIONS (%)
- (OTHER) RETAIL BUSINESS (%)
- (OTHER) SERVICE INDUSTRIES (%)
- OTHER (%)
- TOTAL, INDUSTRIAL CUSTOMER CLASSES

APPENDIX F

PERFORMANCE MEASURES ADJUSTED FOR LIFO ACCOUNTING

In periods of inflation, the use of a LIFO inventory valuation approach will typically reduce a firm's ending inventory valuation and, thus, also reduce its reported gross profit and net profit before taxes. An increasing number of firms are willing to accept lower accounting profits in order to reduce their taxes and increase their after tax cash flow. Other firms, for a variety good and sufficient reasons, choose to remain on FIFO or a similar approach.

In order to increase the comparability of the performance measures calculated for LIFO and non-LIFO firms, the LIFO reserves of the LIFO firms are added back to their reported gross profit, net profit, inventory, and other values as appropriate and "LIFO adjusted" measures are calculated. These adjusted measures are then integrated with the unadjusted measures of the non-LIFO (FIFO) firms and new, more comparable performance measures are calculated.

The approach used to calculate the "LIFO adjusted" measures for a typical LIFO firm is illustrated in Tables 1 and 2. Table 1 shows data that a typical firm on LIFO might have reported on its Survey Form (Column A); the "LIFO Adjustments" that would have been made by MFI (Column B); and the firm income statement and balance sheet data "as adjusted" (Column C).

The "as reported" data from Table 1, Column A are used to calculate the unadjusted performance measures shown in Table 2, Column D. The "LIFO Adjusted" performance measures shown in Table 2, Column E are calculated from the "as adjusted" data shown in Table 1, Column C. As discussed above, the "as adjusted" measures for the LIFO firms are combined with unadjusted data from the other participating firms to calculate the various "LIFO adjusted" industry performance measures shown in your company PAR.

TABLE 1
ADJUSTING FOR LIFO INVENTORY VALUATIONS
(Adjustments made before LIFO adjusted performance measures are calculated)

	TYPICAL LIFO FIRM DATA		
	Firm Data As Reported (A)	LIFO Adjustment (B)	Firm Data As LIFO Adjusted (C)
INCOME STATEMENT			
Net Sales	$15,000,000	0	$15,000,000
Cost of Goods Sold	13,464,000	-$90,000[1]	13,374,000
Gross Trading Margin	$ 1,536,000	+$90,000	$ 1,626,000
Net Profit Before Taxes	$ 206,000	+$90,000	$ 296,000
WAREHOUSE SALES & GROSS MARGIN			
Warehouse Sales	$ 8,000,000		$ 8,000,000
Warehouse Cost of Goods Sold	6,800,000	-$90,000	6,710,000
Warehouse Gross Margin	$ 1,200,000	+$90,000	$ 1,290,000
WAREHOUSE & INDIRECT SALES AND GROSS MARGIN			
W&I[2] Sales	$10,000,000		$10,000,000
W&I Cost of Goods Sold	7,900,000	-$90,000	7,810,000
W&I Gross Margin	$ 2,100,000		$ 2,190,000
ASSET ITEMS			
Accounts Receivable	$ 1,560,000	---	$ 1,560,000
Inventory (Beginning)	$ 1,300,000	+$180,000	$ 1,480,000
Inventory (Ending)	$ 1,740,000	+$270,000	$ 2,010,000
Inventory (Average)	$ 1,520,000	+$225,000	$ 1,745,000
Total Current Assets	$ 3,500,000	+$270,000	$ 3,770,000
Total Assets	$ 3,800,000	+$270,000	$ 4,070,000
LIABILITY & NET WORTH ITEMS			
Total Debt	$ 2,100,000	---	$ 2,100,000
Net Worth	$ 1,700,000	+$270,000	$ 1,970,000
LIFO RESERVES			
Beginning LIFO Reserve	$ 180,000		
Additions to LIFO Reserve	$ 90,000		
Ending LIFO Reserve	$ 270,000		

[1]All adjustments in this column are developed from the "LIFO Reserve" data appearing at the bottom of Column A.
[2]W&I = Warehouse & Indirect.

TABLE 2

LIFO ADJUSTED PERFORMANCE MEASURES
(All dollar values in thousands of dollars)

	(D) UNADJUSTED CALCULATION[1]	(E) LIFO ADJUSTED CALCULATION[2]
PROFITABILITY PERFORMANCE MEASURES		
Gross Margin / Net Sales	$ 1,536 / $15,000 = 10.24%	$1,536 + $90 / $15,000 = 10.84%
Gross Margin on Whse Sales / Whse Sales	$ 1,200 / $ 8,000 = 15.00%	$1,200 + $90 / $8,000 = 16.13%
Gross Margin on W&I Sales / Warehouse & Indirect Sales	$ 2,100 / $10,000 = 21.00%	$2,100 + $90 / $10,000 = 21.90%
Net Profit Before Taxes / Net Sales	$ 206 / $15,000 = 1.37%	$ 206 + $90 / $15,000 = 1.97%
Net Profit Before Taxes / Total Assets	$ 206 / $ 3,800 = 5.42%	$ 206 + $90 / $3,800 + $270 = 7.27%
Net Profit Before Taxes / Net Worth	$ 206 / $ 1,700 = 12.12%	$ 206 + $90 / $1,700 + $270 = 15.03%
LIFO INVENTORY USE		
Ending LIFO Reserve to Ending Inventory	$ 270 / $ 1,740 = 15.52%	
Additions to LIFO Reserve As % Net Profit Before Taxes	$ 90 / $ 206 = 43.69%	
Additions to LIFO Reserve As % Net Sales	$ 90 / $15,000 = .60%	
INVENTORY MANAGEMENT MEASURES		
Cost Whse Goods Sold / Avg Inventory	$ 6,800 / $ 1,520 = 4.47x	$6,800 - $90 / $1,745 = 3.85x
Whse Gross Margin[3] / Return on Avg Inventory	$ 1,200 / $ 1,520 = 78.95%	$1,200 + $90 / $1,745 = 73.93%
Turn & Earn Profitability Index[4]	15.00% x 4.47 = 67.11%	16.13% x 3.85 = 62.01%

[1](Based on data as reported) and shown in Table 1, Column A.
[2](Based on LIFO firm data with LIFO additions or reserves added back as appropriate) as shown in Table 1, Column C.
[3]Warehouse Gross Profit divided by Average Inventory
[4]"Warehouse Gross Margin (%)" times "Cost of Warehouse Goods Sold to Average Inventory"

TABLE 2 (CON'T)

LIFO ADJUSTED PERFORMANCE MEASURES
(All dollar values in thousands of dollars)

	(D) UNADJUSTED CALCULATION[1]	(E) LIFO ADJUSTED CALCULATION[2]
Cost of Goods Sold / Average Inventory	$\frac{\$7,900}{\$1,520} = 5.20x$	$\frac{\$7,900 - \$90}{\$1,745} = 4.48x$
W&I Gross Margin Return on Avg Inventory	$\frac{\$2,100}{\$1,520} = 138.16\%$	$\frac{\$2,100 + \$90}{\$1,745} = 125.5\%$
Turn & Earn Index (W&I)	21.00% x 5.20 = 109.2%	21.9% x 4.48 = 91.11%
ACCOUNTS RECEIVABLE MGT MEASURES		
Gross Margin Return on Accounts Receivable[3]	$\frac{\$1,536}{\$1,560} = 98.46\%$	$\frac{\$1,536 + \$90}{\$1,560} = 104.23\%$
Whse Gross Margin Return on Accounts Receivable[4]	$15.00\% \times \frac{\$15,000}{\$\ 1,560} = 144.23\%$	$16.13\% \times \frac{\$15,000}{\$\ 1,560} = 155.10\%$

[1](Based on data as reported) and shown in Table 1, Column A.
[2](Based on LIFO firm data with LIFO additions or reserves added back as appropriate) as shown in Table 1, Column C.
[3]Total Gross Profit divided by Ending Accounts Receivable
[4]Warehouse Gross Margin (%) times "Total Sales divided by Ending Accounts Receivable"

CONFIDENTIAL QUESTIONNAIRE

THE NATIONAL PAPER TRADE ASSOCIATION (NPTA)
THE PERFORMANCE ANALYSIS REPORT (PAR)

INSTRUCTIONS

1. The company PAR is intended to be a working financial tool for printing, industrial and dual paper merchants that are members of the NPTA. Please report only those operations that are directly associated with your merchant operations. Please exclude distribution of unassociated, non-paper products, converting and manufacturing operations. (Converting operations to be excluded are roll-to-sheet changes, box and envelope manufacturing as well as sheeting, slitting and rewinding. Cutting and hole punching as a service of sales are not considered converting for this report.) If you cannot separate such operations and feel that they constitute a minor portion of your business, i.e., they are less than 20%, you are urged to complete the questionnaire.
2. To assure confidential reporting, do not affix your company name to this questionnaire. A code number identifies your data to the survey computer.
3. Report figures for your most recent, completed fiscal year (See page 12 for guidelines for firms unable to report on a fiscal year basis.)
4. To participate effectively in the survey, you need not complete all sections of this form. However, the more fully you answer this questionnaire, the more complete will your report be. The requested major income statement and balance sheet items are items available to every paper merchant.
5. If your business encompasses more than a single location, fill out a separate questionnaire for each branch or region for which a PAR is desired. You may obtain additional forms from the NPTA.
6. A definition sheet is provided on pages 11 and 12 explaining certain input items. An asterisk (*) following a request item signifies that a definition applies. Use these definitions to assure reporting consistency.
7. In reporting, be as accurate as possible; verify that sub-totals and totals are true sums of their indicated components. Round dollar amounts to the nearest whole dollar. Use minus signs, not brackets, to report negative numbers.
8. Type if possible to minimize data transfer errors.
9. Make a copy of your completed form.
10. The NPTA Research Director Denis A. Scrandis at (516) 829-3070 is available to help answer your questions regarding this survey.
11. **DUE DATE FOR QUESTIONS SUBMISSION: APRIL 1, 1983.**
12. Complete and submit this questionnaire as promptly as possible to:

MANAGEMENT FORESIGHT, INC.
1670 FISHINGER ROAD
COLUMBUS, OHIO 43221

CONFIDENTIAL QUESTIONNAIRE

PROCESSING AND PRODUCTION ORDER FORM

The NPTA/MFI Performance Analysis Report (PAR) Survey is the cornerstone of the NPTA's Financial Management Services to its member firms. For this reason and to encourage participation, the NPTA substantially subsidizes the Survey and offers each participating firm at least one Standard, or One Year, company PAR at no cost beyond the annual dues investment.

Participants can request special reports at prices listed below. The listed prices are pre-production prices; post-production orders will entail additional costs.

For companies seeking trend PARs, MFI must have this past year's data as well as earlier data; such earlier data either is on file from previous participation or is filed now at some cost to the participant. (Contact the NPTA Research Director for details if you want a trend PAR but did not participate last year.)

Multilocation participants may incur costs for extra branch or divisional reports. (See Billing Memo below.)

You must submit a questionnaire to receive a PAR. You must submit data for a branch, divisional, regional or total firm unit to receive information for that unit. You must submit data for a region to receive information for that region.

OPTIONS AVAILABLE FOR PROCESSING AND PRODUCING PAR # _____
(Mark your preferences)

I. GENERATE FROM THIS QUESTIONNAIRE

- ☐ a One Year Standard PAR
- ☐ a Two Year Trend PAR (cost: $95)
- ☐ a Three Year Trend PAR (cost: $150)

II. PRINT FIRST COPY

- ☐ on 11" x 15" sized paper
- ☐ on 8½" x 11" sized paper (cost: $10)

III. PRINT ADDITIONAL COPIES OF PAR KIND(s) MARKED ABOVE
(NOTE: All extra copy orders will be on 8½" x 11" sized paper.)

- ☐ # _____ extra copies of 1-Year PAR (cost: $20 each)
- ☐ # _____ extra copies of 2-Year PAR (cost: $25 each)
- ☐ # _____ extra copies of 3-Year PAR (cost: $30 each)

BILLING MEMO TO MULTILOCATION COMPANIES

After all orders are placed, the NPTA will review each company's order(s) and will bill according to the following principles. If you are a MULTILOCATION FIRM OPERATION WITHIN A SINGLE NPTA REGION (See page three for definitions of regions.), you are entitled to one free consolidated report and one free branch or divisional report; additional branch or divisional reports will be billed as listed below. If you are a MULTILOCATION FIRM OPERATING IN MORE THAN ONE NPTA REGION, you are entitled to one free consolidated report and one free branch or divisional report for each region in which you report; additional branch or divisional reports will be billed as follows:

PAR KIND	11" X 15" SIZE	8½" X 11" SIZE
1-Year	First copy: $160 ea. extra copy: $20	First copy: $170 ea. extra copy: $30
2-Year	First copy: $215 ea. extra copy: $25	First copy: $225 ea. extra copy: $35
3-Year	First copy: $260 ea. extra copy: $30	First copy: $270 ea. extra copy: $40

QUESTIONNAIRE DATA CLASSIFICATION

I. COMPANY IDENTIFICATION CODE: ★ NPTA _____

II. FILING CLASSIFICATION

These classifications are intended to preclude double counting and to assure the purity of regional information. (Regions are defined below.) Mark the box that describes the data in this form. Classes A and B flag data for inclusion in the Survey's data base while allowing comparison with the data base. C and D bar inclusion in, while allowing comparison with, the data base. (Your preference regarding comparison with the data base is marked on p. 2, * I.)

☐ A. TOTAL FIRM DATA, NO OTHER QUESTIONNAIRE SUBMITTED
This form alone represents a total firm's operations; no other form represents a part thereof.

☐ B. BRANCH, DIVISIONAL OR REGIONAL DATA
This form represents one branch, division or region of a multilocation company. If you are submitting several forms for a multilocation firm, your B forms should be organized on the same basis, that is, they should be all branch questionnaires, all divisional questionnaires or all regional questionnaires.

☐ C. TOTAL FIRM DATA, IF BRANCH, DIVISIONAL OR REGIONAL FORMS ALSO SUBMITTED
This form represents a total firm's operations and is being submitted in addition to other forms that are classified as B forms.

☐ D. BRANCH, DIVISIONAL OR REGIONAL DATA, IF DATA INCLUDED ALSO IN ANOTHER FORM
This form represents the operations of a branch, division or region that is also reported in another form that is classified as A or B.

III. REGIONAL IDENTIFICATION

You must mark the region in which the reported data unit conducts all, or most, of its business. [129]

REGION 1 ..... ☐
Maine, Vermont, New Hampshire, Massachusetts, Connecticut and Rhode Island.

REGION 2 ..... ☐
New York, Pennsylvania, New Jersey, Maryland, Delaware and District of Columbia.

REGION 3 ..... ☐
Virginia, North Carolina, South Carolina, Georgia, Florida, Tennessee and Alabama

REGION 4 ..... ☐
Michigan, Wisconsin, Illinois, Indiana, Ohio, West Virginia, Kentucky and Missouri

REGION 5 ..... ☐
Minnesota, Iowa, North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming and Colorado.

REGION 6 ..... ☐
Idaho, Utah, Arizona, Nevada, New Mexico, Washington, Oregon, California, Alaska and Hawaii.

REGION 7 ..... ☐
Texas, Oklahoma, Louisiana, Arkansas and Mississippi.

MULTIPLE REGIONS .....(0) ☐
This form represents operations in more than one region.

NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report
(Based on 1982 Data)

Line Item No.	INCOME STATEMENT— SALES & GROSS TRADING MARGIN DATA FOR 1982	MFI ID#	Printing Paper Sales*	MFI ID#	Industrial Paper Sales	MFI ID#	Total Paper Sales
SECTION A Warehouse Sales							
1	Net Sales, After Returns and Allowances	[103]	$	[113]	$	[183]	$
2	Costs of Goods Sold	[104]	$	[114]	$	[184]	$
3	Gross Trading Margin	[105]	$	[115]	$	[185]	$
SECTION B Indirect Sales[1]							
4	Net Sales, After Returns and Allowances	[186]	$	[189]	$	[195]	$
5	Cost of Goods Sold	[187]	$	[190]	$	[196]	$
6	Gross Trading Margin	[188]	$	[191]	$	[197]	$
SECTION C (C)=(A+B) Warehouse & Indirect Sales[2]							
7	Net Sales, After Returns and Allowances	[198]	$	[201]	$	[207]	$
8	Cost of Goods Sold	[199]	$	[202]	$	[208]	$
9	Gross Trading Margin	[200]	$	[203]	$	[209]	$
SECTION D Direct Sales							
10	Net Sales, After Returns and Allowances	[108]	$	[118]	$	[213]	$
11	Cost of Goods Sold, Include (For Direct) Freight From Mill to Customer	[109]	$	[119]	$	[214]	$
12	Gross Trading Margin	[110]	$	[120]	$	[215]	$
SECTION E Total Sales							
13	Total Net Sales, After Returns & Allowances (Sum of Lines 1, 4 and 10 or Sum of Lines 7 & 10)	[204]	$	[210]	$	[3]	$
14	Total Cost of Goods Sold (Sum of Lines 2, 5 and 11 or Sum of Lines 8 & 11)	[205]	$	[211]	$	[4]	$
15	Total Gross Trading Margin (Line 13 minus Line 14, Also Sum of Lines 3, 6 and 12 or Sum of Lines 9 and 12)[3]	[206]	$	[212]	$	[5]	$

[1] "Indirect Sales" are those sales that are delivered from the manufacturer to the merchant for immediate final shipment as a unit (at the merchant's expense) to the merchant's customer. Normally such sales are not put into inventory but are handled to and from the receiving-shipping area of the merchant.

[2] If you cannot separate your warehouse and indirect sales you may omit Sections A and B, and report only in Sections C, D, and E.

[3] The GTM amount under Total Paper Sales must equal the amount in Line 30 on page 6.

The value above must equal Line 30 on page 6.

IF YOU CANNOT OR DO NOT INTEND TO COMPLETE ANY LINE ITEM ON THE SURVEY FORM, IT IS RECOMMENDED YOU CROSS OUT, OR PUT A LINE THROUGH THE INFORMATION YOU ARE OMITTING TO AVOID CONFUSION WHEN THE DATA IS BEING TABULATED.

NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report

NOTE: All reporting firms should complete this section on the same basis for the years 1981 and 1982, whether a first time reporting firm or not, to avoid inconsistencies in reporting methods.

Please report on those operations that are directly associated with your paper merchant operations. Please do not include, for example, operations involving converting, floor covering, toy or other distribution and manufacturing operations if possible.

Line Item No.	PRIOR YEAR SALES DATA FOR THE YEAR OF 1981	MFI ID#	Printing Paper Sales	MFI ID#	Industrial Paper Sales	MFI ID#	Total Paper Sales
20	1981 Warehouse Sales (A)	[159]	$	[164]	$	[175]	$
21	1981 Indirect Sales (B)[1]	[160]	$	[165]	$	[176]	$
22	1981 Warehouse & Indirect Sales (C) = (A + B)[2]	[161]	$	[166]	$	[177]	$
23	1981 Direct Sales (D)	[162]	$	[167]	$	[178]	$
24	1981 Total Sales (E) (Sum of Lines 20, 21 and 23 or Sum of Lines 22 and 23)	[171]	$	[172]	$	[179]	$

[1]"Indirect Sales" are those sales that are delivered from the manufacturer to the merchant for immediate final shipment as a unit (at the merchant's expense) to the merchant's customer. Normally such sales are not put into inventory but are handled to and from the receiving-shipping area of the merchant.

[2]If you cannot separate your warehouse and indirect sales you may omit Lines 20 and 21 and report only on Lines 22, 23, and 24.

IF YOU CANNOT OR DO NOT INTEND TO COMPLETE ANY LINE ITEM ON THE SURVEY FORM, IT IS RECOMMENDED YOU CROSS OUT, OR PUT A LINE THROUGH THE INFORMATION YOU ARE OMITTING TO AVOID CONFUSION WHEN THE DATA IS BEING TABULATED.

PLEASE TYPE ALL DATA WHEN POSSIBLE.

NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report (Based on 1982 Data)

PLEASE REPORT ONLY THOSE OPERATIONS THAT ARE DIRECTLY ASSOCIATED WITH YOUR PAPER MERCHANT OPERATIONS. PLEASE DO NOT INCLUDE, FOR EXAMPLE, OPERATIONS INVOLVING CONVERTING, FLOOR COVERING, TOY OR OTHER DISTRIBUTION AND MANUFACTURING OPERATIONS IF POSSIBLE.

Line Item No.	INCOME STATEMENT	MFI ID#	Dollar Amount
30	Total Firm Gross Trading Margin (Line 15, Column 3 From Page 4)	[7]	$
31	Storage*	[6]	$
32	Total Handling (Fixed+Variable)*	[70]	$
33	Delivery*	[9]	$
34	Office*	[10]	$
35	Administrative*	[11]	$
36	Sales Service*	[12]	$
37	Selling*	[13]	$
38	TOTAL OPERATING EXPENSE (31 to 37 Inclusive)	[15]	$
39	NET OPERATING PROFIT OR LOSS (Line 30 minus Line 38)	[16]	$
	OTHER NON-OPERATING INCOME (Financial Gains):		
50	Cash Discounts Earned For Prompt Payment (do not include elsewhere)	[17]	$
51	Income from Outside Investments	[14]	$
52	All Other Non-operating Income	[18]	$
53	TOTAL NON-OPERATING INCOME (Financial Gains) (Lines 50+51+52)	[19]	$
54	TOTAL INCOME (Line 39+53)	[23]	$
	OTHER NON-OPERATING EXPENSES (Financial Losses):		
60	Cash Discounts Allowed (do not include elsewhere)	[20]	$
61	Interest on Borrowed Capital	[24]	$
62	All Other Non-operating Expenses	[21]	$
63	TOTAL NON-OPERATING EXPENSES (Lines 60+61+62)	[22]	$
70	NET PROFIT OR (LOSS) BEFORE TAXES (Line 54 minus 63; show minus sign for loss)	[25]	$
71	Corporate Income Taxes (Federal, State, City)	[26]	$
72	NET PROFIT OR (LOSS) AFTER TAXES (Line 70 minus 71)	[27]	$

*For a specific definition and explanation of personnel and accounts to include, please refer to the definition sheet provided.

IF YOU CANNOT OR DO NOT INTEND TO COMPLETE ANY LINE ITEM ON THE SURVEY FORM, IT IS RECOMMENDED YOU CROSS OUT, OR PUT A LINE THROUGH THE INFORMATION YOU ARE OMITTING TO AVOID CONFUSION WHEN THE DATA IS BEING TABULATED.

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NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report (Based on 1982 Data)

Line Item No.	BALANCE SHEET COMPARABLE WITH DISTRIBUTION PROFIT AND LOSS STATEMENT	MFI ID#	Dollar Amount
90	Cash & Cash Equivalent	[30]	$
91	Accounts & Notes Receivable, Trade (Minus Reserve for Bad Debts)-Printing and Industrial	[31]	$
92	Inventory (Net of Reserve for LIFO)-Printing and Industrial (Include "In Transit")	[32]	$
93	Other Current Assets and Those Not Included in Items 91 and 92	[33]	$
94	TOTAL CURRENT ASSETS (Sum of Lines 90+91+92+93)	[35]	$
95	Net Fixed Assets	[36]	$
96	Outside Investments	[37]	$
97	Other Non-Current Assets	[38]	$
98	TOTAL ASSETS (Sum of Lines 94+95+96+97)	[40]	$
99	Accounts Payable-Printing and Industrial	[41]	$
100	Bank Loans Due in Less than One Year (Include Intercompany Liabilities)	[42]	$
101	Other Current Liabilities and Those Not Included in Item 99	[43]	$
102	TOTAL CURRENT LIABILITIES (Sum of Lines 99+100+101)	[45]	$
103	LONG TERM LIABILITIES (Include Intercompany Liabilities)	[46]	$
104	NET WORTH (Equity)	[49]	$
105	TOTAL LIABILITIES & NET WORTH (Sum of Lines 102+103+104; Should equal Line 98 Above)	[50]	$
	OTHER INVENTORY DATA (Report "Net of Reserve For LIFO")		
106	Printing Paper Inventory on First Day of Fiscal Year†	[121]	$
107	Industrial Paper Inventory on First Day of Fiscal Year†	[122]	$
108	TOTAL INVENTORY ON FIRST DAY OF FISCAL YEAR† (Sum of Lines 106 + 107)	[123]	$
109	Printing Paper Inventory on Last Day of Fiscal Year†	[124]	$
110	Industrial Paper Inventory on Last Day of Fiscal Year†	[125]	$
111	TOTAL INVENTORY ON LAST DAY OF FISCAL YEAR† (Sum of Lines 109 + 110; **Should Equal Line 92)**	[126]	$
112	Average Monthly Printing Paper Inventory, i.e., the FIFO amount	[193]	$
113	Average Monthly Industrial Paper Inventory, i.e., the FIFO amount	[194]	$
114	Inventory is Recorded on (Please Check Box)	[130]	(1) ☐ FIFO (2) ☐ LIFO (3) ☐ Other
115	Number of years on LIFO	[100]	_____ yrs.

116 IF YOUR INVENTORY WAS ON LIFO, PLEASE COMPLETE THE FOLLOWING SECTION:

		Printing Paper		Industrial Paper		Total Paper	
LIFO Reserve, Beginning of the fiscal Year	[134]	$_____	[223]	$_____	[131]	$_____
Additions to (shown by a plus sign), or deletions from (shown by a minus sign), LIFO Reserve in 1982	[181]	$_____	[224]	$_____	[132]	$_____
LIFO Reserve, at the End of the fiscal Year	[222]	$_____	[225]	$_____	[133]	$_____

†If on LIFO, report inventory at LIFO value, that is, "Net of LIFO Reserve."

NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report (Based on 1982 Data)

PLEASE REPORT ONLY THOSE OPERATIONS THAT ARE DIRECTLY ASSOCIATED WITH YOUR PAPER MERCHANT OPERATIONS. PLEASE DO NOT INCLUDE, FOR EXAMPLE, OPERATIONS INVOLVING CONVERTING, FLOOR COVERING, TOY OR OTHER DISTRIBUTION AND MANUFACTURING OPERATIONS IF POSSIBLE.

Line Item No.	ACCOUNTS RECEIVABLE DATA "Printing and Industrial Only"	MFI ID#	Dollar Amount
120	Bad Debt Losses in 1982 (Actual Losses After Recoveries)	[92]	$
121	Reserve for Bad Debts — End of 1982	[93]	$
122	Credit Sales for October and November, 1982	[94]	$
123	Trade Notes & Accounts Receivable (After Reserve for Bad Debts) on November 30, 1982	[95]	$
124	Accounts Receivable that Were 30 to 59 Days Old on November 30, 1982	[218]	$
125	Accounts Receivable that Were 60 to 89 Days Old on November 30, 1982	[219]	$
126	Accounts Receivable that Were 90 Days and Over on November 30, 1982	[220]	$
127	Average Monthly Accounts Receivable (Divide the sum of the twelve monthly amounts by twelve)	[144]	$
	PURCHASES-PAYABLES DATA (For Trade Suppliers)		
130	Your Total Purchases From Trade Suppliers for the Year, After Returns but Before Discounts Earned	[221]	$
131	Your Net Purchases from Trade Suppliers in Nov. and Dec. 1982, After Returns but Before Discounts Earned	[28]	$
132	Your Trade Accounts Payable on Dec. 31, 1982	[29]	$
133	Average Monthly Accounts Payable (Divide the sum of the twelve monthly amounts by twelve)	[145]	$
	OTHER DATA		
140	What Were Your Total Lease Payments for Both Facilities and Equipment in 1982?	[34]	$
141	What Were Your Total Data Processing Expenses in 1982? Include both equipment and facility lease payments and/or depreciation, people costs, supplies and service bureau costs. Do not include any Data Processing occupancy costs (space charges, power, etc.) or postage, invoice or statement costs. Do not subtract offsetting Data Processing Service Sales.	[47]	$
142	What Were Your Dollar Sales of Data Processing Services to Outside Parties in 1982 (if any)?	[48]	$
143	Number of Warehouse Locations.	[97]	#
144	Total Cubic Feet of Warehouse Space (length × width × potential stacking height of all warehouse space).	[192]	cu. ft.

IF YOU CANNOT OR DO NOT INTEND TO COMPLETE ANY LINE ITEM ON THE SURVEY FORM, IT IS RECOMMENDED YOU CROSS OUT, OR PUT A LINE THROUGH THE INFORMATION YOU ARE OMITTING TO AVOID CONFUSION WHEN THE DATA IS BEING TABULATED.

PLEASE TYPE ALL DATA WHEN POSSIBLE.

NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report (Based on 1982 Data)

It is not necessary to supply any of the following data to effectively participate in the Survey. If you can supply the data, the industry results will be more valuable and your PAR Report will be more complete. Furnish what you can, particularly Line 212.

Please report only those people who are associated with the other data reported on the Survey Form. For example, since you do not report on a conversion operation, do not report those people here.

Line Item No.	Personnel—by Function (See note Below)	MFI ID#	Number of People in Function†	MFI ID#	Payroll: Salaries Commissions and Bonuses†
200	Owner-Managers	[51]		[71]	$
201	Non-Owner Chief Executive Officer	[52]		[72]	$
202	Branch Managers	[53]		[73]	$
203	All Other Managers	[54]		[74]	$
204	Non-Executive Office Employees (Clerical)	[55]		[75]	$
205	TOTAL MANAGEMENT & OFFICE PERSONNEL (Sum of Lines 200 thru 204)	[56]		[76]	$
206	Outside Salesmen & Sales Managers	[57]		[77]	$
207	All Sales Service Personnel	[58]		[78]	$
208	TOTAL SELLING PERSONNEL (Sum of Lines 206+207)	[59]		[79]	$
209	All Handling Personnel (Warehouse)	[60]		[80]	$
210	All Delivery Personnel (Include Contract Drivers)	[61]		[81]	$
211	All Other Personnel	[62]		[82]	$
212	TOTAL PERSONNEL & PAYROLL (Sum of Lines 205+208+209+210+211)	[66]		[86]	$
213	Total Contributions to Profit Sharing and Pension Fund for Owner-Managers			[87]	$
214	Total Contributions to Profit Sharing and Pension Fund for all Non-Owner Employees			[88]	$
215	All Other Fringe Benefits Including Group Life, Health and Accident Insurance & Payroll Taxes for All Employees			[89]	$
216	TOTAL FRINGE BENEFIT COSTS (Sum of Items 213+214+215)			[90]	$
217	TOTAL COMPENSATION (Sum of Lines 212+216)			[91]	$

OTHER PERSONNEL DATA

220	Total Compensation of First Highest Paid Employee: including Owners and Salesmen on Commission. Include salary, bonuses and contributions to pension and profit sharing plans.	[98]	$
221	Total Compensation of First Highest Paid Employee: including Owners but **excluding** Salesmen on commission. Include all compensation as in 220 above.	[146]	$
222	Total Compensation of Second Highest Paid Employee: including Owners and Salesmen on commission. Include all compensation as in 220 above.	[99]	$
223	Total Compensation of Second Highest Paid Employee: including Owners but **excluding** Salesmen on commission. Include all compensation as in 220 above.	[147]	$
224	Total Compensation of Third Highest Paid Employee: including Owners and Salesmen on commission. Include all compensation as in 220 above.	[173]	$
225	Total Compensation of Third Highest Paid Employee: including Owners but **excluding** Salesmen on commission. Include all compensation as in 220 above.	[148]	$
226	Total Travel and Entertainment Expense for Outside Salesmen in 1982.	[67]	$

†You should allocate the portion of the *dollar amount and number* of people to each function as accurately as possible—based upon the amount of *time* spent within each function. You may allocate as little as 1/10th of a person to a function. Convert part-time employees into full-time equivalents, depending on how much they worked relative to full-time employees. Firms providing centralized services to a number of houses should allocate number of people as well as costs to regional reports.

IF YOU CANNOT OR DO NOT INTEND TO COMPLETE ANY LINE ITEM ON THE SURVEY FORM, IT IS RECOMMENDED YOU CROSS OUT, OR PUT A LINE THROUGH THE INFORMATION YOU ARE OMITTING TO AVOID CONFUSION WHEN THE DATA IS BEING TABULATED.

PLEASE TYPE ALL DATA WHEN POSSIBLE.

NATIONAL PAPER TRADE ASSOCIATION, INC.

Survey Form for the 1983 Performance Analysis Report (Based on 1982 Data)

PLEASE REPORT ONLY THOSE OPERATIONS THAT ARE DIRECTLY ASSOCIATED WITH YOUR PAPER MERCHANT OPERATIONS. PLEASE DO NOT INCLUDE, FOR EXAMPLE, OPERATIONS INVOLVING CONVERTING, FLOOR COVERING, TOY OR OTHER DISTRIBUTION AND MANUFACTURING OPERATIONS IF POSSIBLE.

It is not necessary to supply any of the following data to effectively participate in the Survey. However, "average order size" and "average invoice line amount" are very important performance measures that can help you evaluate sales, office and warehouse efficiency, and product line and customer profitability.
If you cannot separate your warehouse and indirect sales, you may wish to omit Lines 250-251, 260-261, and 270-271 and report on Lines 252, 262 and 272 instead.

Line Item No.	ORDER DATA	MFI ID#	Number of ORDERS For The Year	MFI ID#	Total Number of INVOICE LINES for The Year[2]
	PRINTING PAPER ORDERS:				
250	Warehouse Orders	[101]	ORDERS	[102]	LINES
251	Indirect (Special) Orders[1]	[83]	ORDERS	[84]	LINES
252	Warehouse & Indirect Orders (Sum of Lines 250 and 251)	[85]	ORDERS	[127]	LINES
253	Direct Orders	[106]	ORDERS	[107]	LINES
254	TOTAL PRINTING PAPER ORDERS (Sum of Lines 252 and 253)	[128]	ORDERS	[63]	LINES
	INDUSTRIAL PAPER ORDERS:				
260	Warehouse Orders	[111]	ORDERS	[112]	LINES
261	Indirect (Special) Orders[1]	[135]	ORDERS	[136]	LINES
262	Warehouse & Indirect Orders (Sum of Lines 260 and 261)	[137]	ORDERS	[138]	LINES
263	Direct Orders	[116]	ORDERS	[117]	LINES
264	TOTAL INDUSTRIAL PAPER ORDERS (Sum of Lines 262 and 263)	[139]	ORDERS	[140]	LINES
	TOTAL PRINTING AND INDUSTRIAL ORDERS:				
270	Total Warehouse Orders (Sum of Lines 250 and 260)	[151]	ORDERS	[152]	LINES
271	Total Indirect Orders (Sum of Lines 251 and 261)	[153]	ORDERS	[154]	LINES
272	Total Whse & Indirect Orders (Sum of Lines 252 and 262)	[155]	ORDERS	[156]	LINES
273	Total Direct Orders (Sum of Lines 253 and 263)	[157]	ORDERS	[158]	LINES
274	TOTAL ORDERS FOR THE YEAR (Sum of Lines 254+264, also Lines 272+273)	[1]	ORDERS	[2]	LINES

[1] "Indirect Orders" are those orders that are delivered from the manufacturer to the merchant for immediate final shipment as a unit (at the merchant's expense) to the merchant's customer. Normally such orders are not put into inventory but are handled to and from the receiving-shipping area of the merchant.

[2] A line item is defined as each product item shipped. Page 13 has a worksheet providing the guidelines for establishing the number of line items your firm handles per year.

IF YOU CANNOT OR DO NOT INTEND TO COMPLETE ANY LINE ITEM ON THE SURVEY FORM, IT IS RECOMMENDED YOU CROSS OUT, OR PUT A LINE THROUGH THE INFORMATION YOU ARE OMITTING TO AVOID CONFUSION WHEN THE DATA IS BEING TABULATED.

PLEASE TYPE ALL DATA WHEN POSSIBLE.

NATIONAL PAPER TRADE ASSOCIATION, INC.

DEFINITION SHEET

Survey Form for 1983 PAR

IN AN EFFORT TO STANDARDIZE AND PURIFY THE INFORMATION CONTAINED IN THE PAR REPORT, THE FOLLOWING DEFINITIONS, EXAMPLES AND EXPLANATIONS HAVE BEEN PROVIDED FOR YOUR CONVENIENCE. PLEASE REMOVE THE DEFINITION SHEET BY TEARING ALONG THE PERFORATED EDGE FOR EASY USE AND REFERENCE. YOU NEED NOT RETURN THE DEFINITION SHEET WITH THE COMPLETED QUESTIONNAIRE. SHOULD YOU HAVE ANY PROBLEMS OR QUESTIONS THAT CAN NOT BE ANSWERED BY THE INFORMATION PROVIDED ON THIS SHEET, PLEASE CALL NPTA RESEARCH DIRECTOR DENIS A. SCRANDIS AT (516) 829-3070.

TOPICS	LINE ITEM NUMBER (S)	DEFINITIONS
Printing Paper Sales	1	Printing paper sales include sale of fine paper, envelopes, cut and standard sizes, text and covers and printing supplies (toner, inks, blankets, plates, etc.) including punching and cutting as a service of printing sales. Exclude all separate and discreet operations such as those mentioned at the top of the survey pages.
Brokerage	1 & 4	Brokerage, any item you do not bill for but receive commission on, should be excluded from sales information and put under "other income."
Conversion	1 & 4	Conversion operations include roll-to-sheet changes, box and envelope manufacturing, in addition to sheeting, slitting and rewinding. Do not consider cutting and hole punching as converting operations.
Storage	31	Storage includes, 1) Rent and/or depreciation, taxes, repairs and maintenance, and insurance apportioned to warehouse space, 2) heat and power apportioned to warehouse space, 3) payments for storage in public warehouses, and 4) insurance on merchandise.
Handling	32	Handling includes, a-Personnel: Warehouse foremen, paper cutters, shipping and receiving clerks, janitors and other warehouse employees. b-Accounts: 1) Salaries, wages and benefits (including pension, profit sharing and payroll taxes) for warehouse employees, 2) packing and shipping supplies, 3) depreciation, insurance, maintenance and repairs on storage and handling equipment, and 4) trimming, cutting and punching.
Delivery	33	Delivery includes, a-Personnel: Drivers, helpers and garage employees. b-Accounts: 1) Salaries, wages and benefits (including pension, profit sharing and payroll taxes) for delivery employees, 2) trucking rentals and payments to public carriers for warehouse sales (transportation cost on direct sales should be charged to cost of goods sold), 3) vehicle taxes, licenses and insurance, 4) portion of occupancy expense (rent, heat, power) allotted to vehicle storage, 5) gas, oil, tires, etc., 6) vehicle depreciation, repairs and maintenance, and 7) UPS and parcel post for warehouse sales.
Office	34	Office includes, a-Personnel: Typists, office machine operators, accounting department employees and managers, data processing employees and managers, general office employees, teletype and switchboard operators, office managers and office personnel. b-Accounts: 1) Salaries, wages and benefits (including pension, profit sharing and payroll taxes) for office employees, excluding Administration (see definition of item 35) and Sales Service Personnel, 2) apportionment of occupancy expense for office area (rent, heat, power), 3) rent or depreciation, repairs and maintenance on furniture, fixtures and equipment, 4) postage for general correspondence, 5) stationery, forms and office supplies, and 6) outside office services.
Administration	35	Administration includes, a-Personnel: Executives of the company, branch managers and those charged with the overall management, financial and credit policies of the business, including their personal secretaries and assistants. b-Accounts: 1) Salaries and benefits (including pension, profit sharing and payroll taxes) of administrative employees (less compensation attributable to other activities), 2) apportionment of occupancy expense for executive space (rent, heat, power), 3) rent and depreciation, repairs and maintenance on furniture, fixtures and equipment, 4) general liability insurance employee bonds and other insurance (exclusive of employee benefits), 5) telephone, telegraph and teletype expenses exclusive of sales and office activities, 6) bad debt, credit and collection expenses, 7) legal, auditing, consulting and directors' fees, 8) taxes exclusive of Federal Income Taxes and payroll taxes, 9) membership dues and subscriptions, 10) donations, and 11) executive entertainment and travel.

Sales Service	36	Sales service includes, a-Personnel: Advertising, merchandising, mill order, inventory, order desk, traffic, sample department personnel and purchasing agent. b-Accounts: 1) Salaries and benefits for sales service employees including managers (exclusive of compensation attributable to other significant activities), 2) apportionment of occupancy expense (rent, heat, power), 3) catalogs, samples and direct-mail advertising and samples, 4) postage and messenger service on advertising and samples, 5) media advertising, 6) telephone, telegraph and teletype related to selling, 7) salesmen's equipment and supplies, and 8) sales service personnel travel and entertainment.
Selling	37	Selling includes, a-Personnel: Outside salesmen, sales management and trainees. b-Accounts: 1) Salaries, commissions, bonuses and benefits (including pension, profit sharing and payroll taxes) paid for sales produced (includes attributable portion of executive and other salaries), 2) apportionment of occupancy expense (rent, heat, power), 3) automobile allowances, 4) travel and entertainment, and 5) incidental expenses.
Invoice Line Item		On each invoice a line item is each product item shipped. (A separate worksheet providing the guidelines for establishing the number of line items your firm handles per year is attached for your convenience).

GUIDELINES FOR FIRMS UNABLE TO REPORT ON FISCAL YEAR BASIS

The National Paper Trade Association, Inc., recommends that each member participating in the PAR Program, report financial information based on their most recent fiscal year. If, however, the fiscal year does not permit such reporting, or if the firm feels that more timely information is needed, NPTA recommends that the firm follow one of the following methods: 1) provide data from the four most recent quarterly reports, 2) use data from the previous twelve month period, although not necessarily a fiscal year, 3) use twelve most recent monthly reports, or 4) take information from fiscal year in progress and prorate the remaining months using prior year trends as a guideline.

Worksheet to Determine Weighted Average Number of Line Items

	Line No.	Printing Whse (A)	Printing Indirect (B)	Printing Whse & Ind. (C=A+B)	Printing Direct (D)	Indust. Whse (A)	Indust. Indirect (B)	Indust. Whse & Ind. (C=A+B)	Indust. Direct (D)
Block #1: Total Line Items	1								
Block #2: Total Line Items	2								
Total A (Line 1 + Line 2)	3								
Average Line Items For Total A (Total A ÷ 100)	4								
Block #3: Total Line Items	5								
Total B (Line 3 + Line 5)	6								
Average Line Items For Total B (Total B ÷ 150)	7								
Block #4: Total Line Items	8								
Total C (Line 6 + Line 8)	9								
Average Line Items For Total C (Total C ÷ 200)	10								

To determine the weighted average number of line items shipped per order by sampling, it is necessary to review prior orders for each major sector of the business. For survey purposes, define a line item as: Each product item shipped.

Orders may be reviewed in blocks of 50 until the average number of line items per order stabilizes and it can be assumed that the average represents a statistically valid figure.

Start by selecting 50 consecutive orders from 1-3 months old and 50 more from 5-8 months old for *each major sector.* Count the number of line items shipped (as defined above) on each. Insert these figures on the first and second lines of the above calculation form.

Add lines 1 and 2 to obtain the Total A or line 3. Divide the total on line 3 by 100 to determine the average number of line items per order in each category, and enter on line 4.

Select another representative block of 50 orders for *each major sector.* Again, count the line items on these orders and write the number on line 5. Add lines 3 and 5 to get the total; write on line 6. Divide this total by 150 to get the average number of line items per order for the three batches (line 7). If lines 4 and 7 are within 10% of each other, the figure on line 7 can be assumed to show a valid average number of line items and can be used to calculate expense rates.

If lines 4 and 7 vary by more than 10% for any category, choose another block of 50 representative orders for that category and complete lines 8, 9 and 10. If the averages on line 7 and 10 are within 10%, use this figure for expense calculation. Continue the sampling in this manner until the average number of line items stabilizes.

MISCELLANEOUS SECTION

NOTE: In order to develop new kinds of management information to meet the changing needs of paper merchanting, this Miscellaneous Section was planned to test the members' interest in, and ability to support, new kinds of management information for possible inclusion in future PARs. The items listed here are experimental and not integral parts of the PAR. Members are asked to answer these questions to the best of their ability making reasonable estimates where necessary. Completing these questions is wholely at the option of responding companies. Companies not completing these questions will receive their PARs; companies completing these questions will receive the resulting company and industry information in addition to their PARs; and, companies not completing these questions will receive the resulting industry information in addition to their PARs.

SECTION A: Backhaul Revenue(1)

310	Revenue from Backhaul (Estimate if necessary)	[8]	$_____

SECTION B: Cash-And-Carry Retail Sales(2)

		Printing Paper Sales		Industrial Paper Sales		Total Paper Sales	
320	1982 Net Sales, After Returns & Allowances	[64]	$_____	[69]	$_____	[141]	$_____
321	1982 Cost of Goods Sold	[65]	$_____	[150]	$_____	[142]	$_____
322	1982 Gross Trading Margin	[68]	$_____	[96]	$_____	[143]	$_____
323	1981 Net Sales, After Returns & Allowances	[39]	$_____	[44]	$_____	[149]	$_____

(1) In completing line item 310, separate and report backhaul revenues that may be included in the operating statement, i.e., in line items 30-72; do not report line items 30-72 less backhaul revenues.

(2) In order to explore Cash-And-Carry Retail Sales, merchants operating Cash-And-Carry Retail Sales outlets are asked to complete Section B. a) Merchants operating Cash-And-Carry outlets as profit centers separate from wholesaling and accounting for retailing separately from wholesaling should report available retail data in completing Section B. b) Merchants operating Cash-And-Carry Retail Sales but accounting for it under wholesaling should estimate retail data in completing Section B; the estimated retail amounts should not be subtracted from the wholesale data that is reported in line items 1-15 and 20-24.

SECTION C: Commodity and Customer Class Market Analysis

LINE ITEM NO.	PRINTING PAPER CUSTOMER CLASSES			MFI ID#	PERCENTAGE OF TOTAL SALES
	Commercial Printers (Excluding inplant and quick copiers)				
401	Web Fed Printers	[226]	_____ %		
402	Sheet Fed Printers	[227]	_____ %		
403	Total Commercial Printers (Sum of Lines 401+402)			[237]	_____ %
404	Inplant Printers:			[238]	_____ %
405	Quick Copiers:			[239]	_____ %
406	Business Forms Manufacturers:			[240]	_____ %
407	Business Office Buyers Including: printed stationery and business forms; and, specification sales if possible Excluding: inplant printers and quick copiers			[241]	_____ %
408	Book Publishers:			[242]	_____ %
409	Governmental Agencies: Including: all levels of government, such as, public schools			[243]	_____ %
410	Other (making 100% when added to the above):			[244]	_____ %
	Total:				100%

LINE ITEM NO.	PRINTING PAPER COMMODITY CLASSES (Report sales as percentages of total printing paper sales. Report for major grades along the right hand side; add as much detail to the left as possible. Sub-totals and totals should sum their components. Estimate if necessary.)						PERCENTAGE OF TOTAL SALES	
451	Bleached Bristols						[234]	_____ %
452	Cotton Fiber Papers						[235]	_____ %
453	Free Sheets C-2-s						[230]	_____ %
	Free Sheet, Uncoated:							
	Chemical Wood Writing:							
	Reproductive Grades:							
	Bond & Writing:							
454	In Cut Sizes	[228]	_____ %					
455	In Rolls	[229]	_____ %					
456	Sub-Total: Bond & Writing (Sum of Lines 454 and 455).			[306]	_____ %			
457	Mimeograph			[307]	_____ %			
458	Duplicating			[308]	_____ %			
459	Sub-Total: Reproductive Grades (Sum of Lines 456, 457 and 458.)					[309]	_____ %	
460	Form Bond					[310]	_____ %	
461	Other Chemical Wood					[311]	_____ %	
462	Total: Chemical Wood (Sum of Lines 459, 460 and 461.)						[231]	_____ %
463	Kraft Envelope						[312]	_____ %
464	Text & Cover						[313]	_____ %
	Uncoated Book:							
465	In Rolls					[314]	_____ %	
466	In Sheets					[315]	_____ %	
467	In Cut Sizes					[316]	_____ %	
468	Total: Uncoated Book (Sum of Lines 465, 466 and 467.)						[317]	_____ %
469	Total: Free Sheets Uncoated (Sum of Lines 462, 463, 464 and 468.)						[232]	_____ %
470	Groundwood, C-2-s						[233]	_____ %
471	Groundwood, Uncoated						[318]	_____ %
472	Thin Papers						[319]	_____ %
473	Other Making 100% of Sales						[236]	_____ %
	Total Printing Paper Commodity Classes							100%

SECTION C: Commodity and Customer Class Market Analysis

LINE ITEM NO.	INDUSTRIAL PAPER COMMODITY CLASSES			MFI ID#	PERCENTAGE OF TOTAL SALES
501	Sanitary Papers and Personal Service Disposables: Including: paper products used in the washroom or for other personal application Excluding: products listed elsewhere in this survey			[245]	_____ %
502	Food Service Disposables: Including: products used in the preparation, serving and storage of meals Excluding: products used by food processors, meat packers and other bulk food operations for distribution through food channels			[246]	_____ %
503	Industrial Packaging Supplies and Equipment:				
	Packaging Equipment	[325]	_____ %		
504	Protective Packaging	[326]	_____ %		
505	Shipping Boxes	[327]	_____ %		
506	Tapes	[328]	_____ %		
507	Other Ind. Pack. Suppls.	[329]	_____ %		
508	Total Ind. Pack. Sppls. & Eqpmnt. (Sum of Lines 503 through 507.)			[247]	_____ %
509	Janitorial Supplies and Equipment: Including: products used exclusively in housekeeping functions Excluding: products listed elsewhere in this survey			[248]	_____ %
510	Retail/Matched Packaging: Including: products sold to retailers for customer packaging Excluding: products listed elsewhere in this survey			[249]	_____ %
511	Health Care Disposables: Including: products used exclusively by hospitals, nursing homes, clinics, etc. Excluding: products listed elsewhere in this survey			[250]	_____ %
512	Other (making 100% of sales):			[251]	_____ %
	Total:				100%

LINE ITEM NO.	INDUSTRIAL PAPER CUSTOMER CLASSES			MFI ID#	PERCENTAGE OF TOTAL SALES
551	Food and Food Services: Excluding: food processors, meat packers, and supermarkets			[252]	_____ %
552	Fast Food Outlets:			[253]	_____ %
553	Health Care Institutions: Including: hospitals, nursing homes, clinics, etc.			[254]	_____ %
554	Industrial Manufacturers:				
	Durable Goods Mfgrs.	[330]	_____ %		
555	Non-Durable Gds. Mfgrs.	[331]	_____ %		
556	Total Industrial Manufacturers (Sum of Lines 554+555.)			[255]	_____ %
557	Public Institutions: Including: all levels of governmental agencies Excluding: food and health care institutions listed above			[256]	_____ %
558	(Other) Retail Business: Including: department stores and supermarkets Excluding: fast food stores			[257]	_____ %
559	(Other) Service Industries: Including: cut size users Excluding: food and health services			[258]	_____ %
560	Other (making 100% of sales):			[259]	_____ %
	Total:				100%

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NPTA
MANAGEMENT NEWS

August **Highlights** 1983

Convention Next Month!

The NPTA Annual Convention and Paper/Plastics and Allied Products Exposition is right around the corner. If you have not made plans as yet to be in New York September 24-27, do it now. The cutoff date for hotel reservations is September 3, 1983. After that time, the NPTA hold on rooms is lost. (P. 7)

Turning Prisons Into Printshops

Printing Industries of America has found that prison authorities looking for manufacturing operations to keep inmates busy are turning prisons into printshops. Is it unfair competition? (P. 4)

The Cardboard Box Industry

A new report analyzes the strength, weaknesses, sales volume, growth and market expectations in the cardboard box industry. (P. 5)

Kaymac Paper Hold PSSII In-house

Success in 2½ days of training means more profit dollars, because salespeople learn new ways of handling products and customers. (P. 14)

Regulations And Fiber Type

State purchasing programs are favoring paper containing recycled fiber. API's view is that this is too restrictive. (P. 19)

Young Executives Ready For Convention

The young executives of the NPTA are preparing for a special Convention presentation. The YEF is gearing-up for greater involvement. (P. 20)

Distributor Joins NPTA

Greetings to the Western Paper Company of Kent, Washington. Welcome to the NPTA! (P. 2)

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Route To:

News of Paper Trade Activities

Distribution Company Receives Membership In NPTA

Western Paper Company, 7011 South 188th Street, Kent, WA 98032; 206-251-5300.

The Western Paper Company was established in 1968 and is a dual distributor. They employ 176 people and operate four Distribution Centers in Portland and Eugene, OR; and Kent and Pasco, WA. In addition, Western has 10 sales offices throughout the Pacific Northwest.

NPTA welcomes this fine company into its membership, and all member firms wish them well in the coming year.

People In The News

Western Paper Company, Shawnee Mission, KS announced that **Frank L. Swager**, **James F. Raftis**, **E.C. Samuel**, and **John R. Fischer** were named vice presidents of the company.

Mead Merchants, Dayton, OH named **William R. Craven** as Vice President Marketing-Fine Paper.

Robert Touchette was named President and General Manager of the Miami Paper Corporation.

WWF Paper Corporation-West announced the appointment of **Paul A. Weir** as Sales Manager-Northern Region.

Alpine Paper Company, Rockford, IL has appointed **David J. Adams** as Corporate Vice President, Director of Marketing.

Richard Greene has been appointed Division Manager, of George W. Millar's A.E. Macadam Division located in Melville, NY.

Eric Doorbar was elected President of the National Association of Paper Merchants in England. At one time Mr. Doorbar was President of the Packaging Distributors Association of the United Kingdom. He is the first person to have held the leading position in both organizations.

John E. Thompson, Jr. was named President and CEO of Merrimac Paper. **R. Van Nostrand** continues as Chairman of the company.

The Brame Specialty Company of Durham, NC announced the winner of its annual sales contest. **Bill Morris** and his wife Patsy just returned from their prize winning vacation in Amsterdam.

Kimberly-Clark of Neenah, WI has elected **James C. Whitaker** and **Stephen A. Willey** as Senior Vice Presidents. **Gene R. McGrevin** has been named President of the newly formed **Health Care Products Group.**

The paper industry mourns the loss of **Philip L. Burgower** who worked at Pollock Paper Distributors in Dallas, TX for 48 years. **Clark L. Reynolds,** retired Vice President of Union Camp Corp., Wayne, NJ, who passed away in May. Both men were 66. **John Ferguson**, President of Tobey Fine Papers of Kansas City, MO, passed away after suffering a fatal heart attack. He was the only president of the company since it was formed in 1959.

Phillip L. Erickson

New President at BM&T

Phillip L. Erickson has been named President of Blake, Moffitt & Towne with headquarters in San Francisco, CA. He replaces Lee A. Wolterding who will continue as a special consultant. Mr. Erickson, 46, spent 25 years with the Zellerbach Paper Company, most recently serving as Vice President of the company's Printing Paper Business Unit.

Mr. Erickson is a graduate of Harvard Business School and Stanford University's Distribution Management Program.

BM&T operates 25 Divisions in 12 Western States including Alaska and Hawaii. The company considers itself the "oldest name in paper in the West." Saxon Industries which owns BM&T, is reorganizing under Chapter 11.

Fort Howard To Buy Maryland Cup

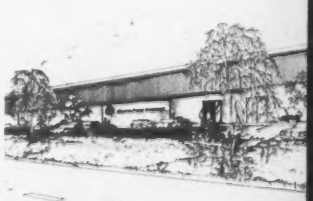
After approval of the deal, Fort Howard will acquire Maryland Cup. The cash and stock transaction is valued at $536.2 million, but could go as high as $661.1 million after all agreements are finalized.

"The product lines of our respective companies complement each other extremely well, and there is no duplication," said Paul Schierl, President of Fort Howard. The company is the largest manufacturer of tissue products for industrial markets. Maryland Cup is the leading maker of disposable plastic plates, dinnerware and containers.

The merger will create a paper and disposable company with $1.2 billion in product sales.

Virginia Paper Expands Orlando Operation

The Virginia Paper Company is moving its Orlando, FL operation to larger quarters. The new location, at 24,000 sq. ft. nearly tripples their existing facility. The new building is located at 3717 Mercy Star Court in Silver Star Commerce Center and employs 13 people.



Virginia Paper Company

Litton To Sell Fitchburg And Valentine

Litton Industries of Beverly Hills, CA will sell its specialty printing and forms group to a consortium headed by Litton's Vice President John Grado. Litton's reason for divesting itself of these businesses was not based on their profitability, but on a decision to concentrate more fully on their electronics business.

Gem Moves To Larger Quarters

Gem Giftwares announced its move to larger facilities in Danvers, MA from Swampscott, MA. The new location of 50,000 sq. ft. will accommodate executive offices, inventory and their silk screening operation. The ribbon cutting is planned for this month.

Gem Giftwares

The Paper Company Now Operates Grippen

The Paper Company of Sioux Falls, SD (owned by the Chris Cam Corporation) has acquired the Grippen Paper Company, Mason City, IA, from Waterloo Paper. Grippen will continue to do business under that name and operate as a branch of The Paper Company.

George P. Mueller

Wisconsin Tissue Has New President

George P. Mueller succeeds James E. Asmuth as president of Wisconsin Tissue Mills, Inc. Mr. Asmuth retired in July.

Mr. Mueller has been with the company since 1968, and most recently served as executive vice president and general manager. Wisconsin Tissue Mills is an affiliate of Phillip Morris Industrial and is located in Menasha, WI.

50 Cheers For TLMI

Celebrating its 50th anniversary this year is the Tag and Label Manufacturers Institute. The institute is an international organization of manufacturers of tags and pressure-sensitive labels and their suppliers.

Ris Begins Construction

The Ris Paper Company headquartered in Garden City, NY announced that their Washington, D.C. operation will break ground on a $2.5 million warehouse facility located at the Hampton Business Park in Largo. The 60,000 sq. ft. building will also hold the division's Washington headquarters offices. The new building will more than double the company's existing space to better serve the metro-D.C. area.

Kerr Sold To Employees

Kerr Paper Company of Amarillo, TX announced that the company is being sold to its employees and will now operate under the name of Kerr Distributing.

The majority shareholder and president will be longtime employee Robert D. Wells. Marvin Fuller will become executive vice president of the company which is one of Amarillo's oldest firms having been founded in 1914 as a grocery and school supply store. MN

LOCAL
PAPER & SUPPLY COMPANY
175 S. MAIN
ACME ADVERTISING AGENCY
"WHEN YOUR COMPANY CAN INCREASE ITS ADVERTISING BUDGET, MR. JONES, COME BACK AND WE'LL TALK BUSINESS."

NPTA

MANAGEMENT NEWS

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MERCHANT BRIEFINGS

PRINTING PAPER

Turning prisons into printshops? All across the country, says Printing Industries of America (PIA) state prison authorities are increasingly looking to various kinds of manufacturing processes that can be adapted for use inside the prison walls. Often, the industry that best suits the needs of the state is printing. With the recent call by U.S. Supreme Court Chief Justice Warren Burger to turn our prisons into factories, we can only expect this trend to continue.

Unfortunately, the well intentioned goals of such programs of rehabilitating prisoners, while at the same time reducing the costs of incarceration, have been lost in the zeal to make a profit. Programs, such as the one now operating in Florida's prison system, employ only long-term criminals to reduce turnover. Thus very little rehabilitation for short term criminals ever occurs. The Florida prison printing shop is also assigned state work outside the regular competitive bidding process. Thus the private sector has no chance to compete on what has been up to now a very substantial market.

PIA is not convinced that the best way to deal with the problems of our nation's prisons is to turn them into factories which directly compete with the private sector. In a recent letter to Chief Justice Burger and Senate Judiciary Committee Chairman Strom Thurmond, PIA Government Affairs urged a careful review of the best way to deal with rehabilitation before we move ahead with the development of prison factories which will directly compete with private industry.

PIA Government Affairs is beginning to monitor prison printing activity in a number of states including: Florida, California, Virginia, and New York.

If you know of other states that are moving into the printing business, please let NPTA or PIA know.

Roll paper stock fire testing program update from API. Based on the data from 15 full-scale fire tests, initiated and sponsored by API, a proposed roll paper storage fire protection standard for all grades except tissue has been developed by the National Fire Protection Association. Final approval and publication of the Roll Paper Protection Standard by the Association is expected later this year.

The National Fire Protection Association develops consensus standards which are recognized and used worldwide by all parties concerned with fire protection. One major carrier, Industrial Risk Insurers, has just published its recommendations for roll paper storage fire protection which, in fact, are based on this proposed standard. (For additional information, contact Lionel Wallenrod, API-NY, 212-340-0616.)

Why should USPS print envelopes? While the U.S. Postal Service has made available stamped envelopes with and without the customer's return address for more than 100 years, commercial printers are now beginning to question this practice, says the National Association of Printers and Lithographers.

The Postal Service does solicit competitive bids from commercial envelope manufacturers for the 300 million envelopes it provides each year, but the practice is seen as competition with private printers, not a public service as ordered by Congress many years ago.

In dollars and cents, the Postal Service is not losing money on these envelopes, even though it charges $109.85 for 500 No. 10s. Out of that cost, $100 is postage so the cost of the 500 envelopes is only $9.85. The Chairman of the House Post Office and Civil Service Committee has told the industry he would look into this matter to determine if the continued competition with private industry is justified.

Paperless planning is making its debut to guide assemblers with step-by-step instructions for manufacturing electro-optical hardware. Color video monitors having twice the quality of home TV sets are replacing thick planning books at Hughes. The monitors are used in conjunction with video discs that hold up to 50,000 full-size color pictures, each equivalent to one sheet of planning. The discs store three-dimensional computer graphics or standard video. Assemblers can review still images or sequences showing how a product is to be built. Paperless planning is faster, more accurate, and less costly than conventional methods. It will also reduce manufacturing errors.

Print media still important. Research reported by a University of Maryland communications professor shows that Americans are relying on print media for news.

Lawrence Lichty, writing in the Smithsonian Institution's *Wilson Quarterly* notes:

- 68 percent of U.S. adults read at least part of one newspaper daily.
- More than 30 percent of all U.S. adults read a weekly news magazine.
- Fewer than one third of U.S. adults watch local or national news on TV on any given day.
- Lichty notes that Americans will continue to rely primarily on print media for decades to come. MN

INDUSTRIAL PAPER

New report analyzes growth of cardboard box industry. Dollar sales of cardboard boxes, measured at the manufacturers' level, totaled $14.8 billion during 1982, up only 1.8% over the previous year. Unit volume was down sharply. The expected recovery during 1983 will be uneven, with some key markets experiencing a sharper turnaround than others. These are among the key findings in a new research study, *The U.S. Cardboard Box Industry: A Strategic Marketing Analysis And Biennial Review*, published by Business Trend Analysis, Inc.

Corrugated and solid fiber boxes comprise the largest segment of the industry, representing 70% of total industry sales. Following a decade of steady growth averaging 9.5% per year, dollar sales of corrugated and solid fiber boxes advanced by less than 1% in 1982, totaling $10.4 billion in that year. A contributing factor to these poor results was reduced consumer spending for durable goods, as nearly one-third of all corrugated box shipments are directed to durable goods manufacturers. In 1983, the anticipated economic recovery should bring sales back to healthier levels, rising 9% to $11.3 billion. For the coming decade, growth rates averaging slightly more than 10% will result in sales of over $30 billion by 1993.

Sales of folding paperboard boxes totaled $3.97 billion in 1982, due to the relative stability of its major end-use market, packaged foods, during economic downturns. Following average annual increases of more than 11% over the past decade, 1982 sales reflected a modest rise of 4.3% from the previous year. For 1983, sales are expected to rise by 7.8% to $4.3 billion, followed by annual growth rates averaging 8.5% throughout the coming decade. Sales are projected to approach $10 billion in 1993.

Sales of rigid set-up boxes are influenced by consumer spending on non-durable goods, particularly higher-priced luxury and gift items. Currently accounting for only 3.3% of industry sales, this segment has the lowest projected growth rate for the coming decade due to saturation of many of its end-use markets. With 1982 sales pegged at $490 million, increases averaging 8% per year will bring sales in this segment to $1.16 billion by 1993.

In addition to the detailed analysis of the size, growth and projected growth of the overall market and its various submarkets, the report includes in-depth analyses of end-use markets, capital investment trends, new products and technologies, sales detailed by end-use market and by major company, pricing activity, and distribution trends are among the many other topics covered. The Report is available from Business Trend Analysts at $475; 2171 Jericho Turnpike, Commack, NY 11725.

Nonwovens in an emergency. Following centuries of wound bandaging with woven cotton or linen, nonwovens have found an important niche in the wound dressing market in a relatively short time, says the Association of the Nonwoven Fabrics Industry. As late as 1900, gauzes were supplied to the medical profession primarily in roll form to wrap around the wounded member to hold wads of absorbent cotton in place, or to be cut to desired sizes by users. It was also wadded and packed into deep, heavily exuding wounds. Care-and-bond nonwovens lacked the loft and absorbency required for most wound dressings and also lacked both the abrasion resistance and the abrasiveness required for the wound-cleansing function of medical sponges. The emergence of the stronger, loftier, spunlaced nonwovens allowed entry of a new generation of nonwoven products. Finally, a new nonwoven with controlled fiber entanglement and specific aperture pattern has been engineered to perform particularly well as a general-use sponge.

This topic, among others, will be presented at the Association's Technical Symposium to be held September 13-15, 1983 at the Hilton Hotel in Baltimore, MD. For more information contact the Association of the Nonwoven Fabrics Industry at 1700 Broadway, New York, NY 10019.

Telemarketing information processing supplies. SRI International (formed in 1946 as the Stamford Research Institute) is now organizing a multi-client study to uncover marketing strategies in the information processing supplies industry. The study, titled "Telemarketing: A New Distribution Strategy," will focus on telephone selling of information processing supplies which, SRI states, will be the great growth area of the 80s.

"It is anticipated that the volume of dollar sales to be generated through telemarketing will rank with direct mail catalog selling as a major distribution method of the future," SRI states. The study will help companies plan and implement telemarketing programs in a product category SRI says is "ideally suited for significant conversion to telemarketing."

For more information or a prospectus, contact SRI at 333 Ravenswood Avenue, Menlo Park, CA 94025; 415-326-6200.

Keep America beautiful will enter the recycling field by publishing a new manual for multi-material municipal recycling programs, according to the Single Service Institute. "The CCS Multi-Material Recycling Manual," developed by KAB will advise citizen leaders on how to work with recycling industries and local governments. The manual will sell for $25 per copy. Contact SSI; 202-347-0020. MN

MANAGEMENT INFORMATION

Return On Total Assets

There are many measures that are contained in the Association's annual financial operating ratio study: The Performance Analysis Report (PAR). Management Foresight Inc. (MFI) of Columbus, Ohio, the creator of PAR, has attempted and succeeded with NPTA committee help, to prepare a report that deals with the five key dimensions of firm management. They are: Sales Performance, Profit Margin Management, Asset Management, Financial Leverage, Liquidity. All the measures in PAR relate to these important variables in some way or another. The question is sometimes asked "What is the most important measure in PAR?" As you can imagine, that question has many answers. It depends on the style of the member firm, what are company goals? sales growth, profitability, reducing inventory levels, etc. One of the reasons for the length of PAR is an attempt to provide all the data that everyone might deem important. However, if you could look at only one ratio from the PAR, it probably should be the measure called "RETURN ON TOTAL ASSETS."

For at least 50 years, the DuPont Company, a leader in financial management, and many others have been using what has become known as the "DuPont Formula." Simply stated, this is a profitability or return on asset investment measure that relates to profit earned to the asset investment required. Stated another way:

$$\text{Return on Total Assets (ROTA)} = \frac{\text{Net Profit on Sales}}{\text{Total Assets}}$$

ROTA is a comprehensive performance measure that evaluates the combined performance of a paper merchant firm in two key dimensions of company management: PROFIT MARGIN PERFORMANCE and ASSET MANAGEMENT. This measure is so important to the PAR that all companies who participate are ranked on every measure as a high, median and low profit firm. (A "high" ROTA firm is one that is at the mid-point of the top third of firms on a particular measure.)

The table shows the comparison of high and low ROTA firms in the important area of functional expenses. Notice the large percentage differences between high and low profit firms. Where does your firm fit in?

If you want a more detailed discussion of the Return on Total Assets (ROTA) concept, you should read, *Effective Financial Management for Wholesale Distribution* by Peter Mullins, PhD, and the 1983 *Paper Merchant Performance*. Both publications are available at NPTA headquarters. MN

EXPENSE EXPERIENCE OF HIGH & LOW PROFIT NPTA FIRMS (Based on 1982 Survey Results)
Functional Area Expenses

	Your Firm	Low Profit Firms	High Profit Firms	Difference HPF Value (%)
Storage Expense / *W & I Gross Profit (%)				
Printing		7.79	4.76	63
Industrial		6.75	4.90	39
Dual		9.31	6.06	54
Handling Expense / *W & I Gross Profit (%)				
Printing		16.70	10.70	56
Industrial		9.13	7.77	18
Dual		10.82	11.41	-5
Delivery Expense / *W & I Gross Profit (%)				
Printing		16.20	11.41	42
Industrial		15.10	12.59	20
Dual		12.51	10.53	19
Office Expense / Total Gross Profit (%)				
Printing		8.94	9.04	-1
Industrial		9.15	10.82	-16
Dual		13.53	9.11	48
Administrative Expense / Total Gross Profit (%)				
Printing		19.86	13.70	45
Industrial		20.77	13.58	53
Dual		15.48	12.78	21
Sales Service Expense / Total Gross Profit (%)				
Printing		10.65	7.92	34
Industrial		7.13	5.97	20
Dual		10.61	8.27	28
Selling Expense / Total Gross Profit (%)				
Printing		32.46	26.10	25
Industrial		36.05	31.28	15
Dual		28.78	25.59	13
Sales Serv & Selling Exp / Total Gross Profit (%)				
Printing		42.60	32.25	32
Industrial		43.73	36.52	20
Dual		37.27	33.69	11

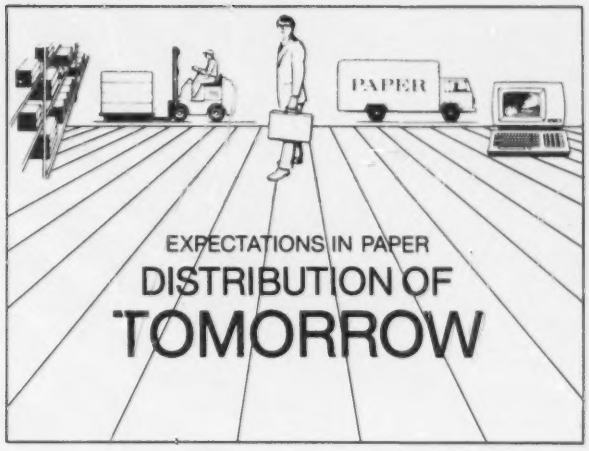
*W & I Gross Profit = Warehouse and Indirect Gross Profit

1983 Convention and Exposition

Saturday, September 24 - Tuesday, September 27, 1983

New York Hilton and Sheraton Centre Hotels

Cutoff Date For Hotel Reservations: 9/03/83



Expectations in Paper Distribution of Tomorrow

Where will your business be in the next five to ten years? Where will the paper distribution industry be during that time period? The changes that are taking place in the industry today will shape tomorrow's business environment.

How do you find out what the trends are, and how you can take advantage of them? Begin by attending the 80th Annual Convention and Exposition of the National Paper Trade Association. This is the only event that will deal with these important issues affecting all distributors of paper and their suppliers.

Expectations...

Expectations have a way of becoming reality, in the short and long term. It is important for you to be in attendance at the Annual Convention and Exposition to learn what other paper merchants and suppliers are expecting to happen in 1984, and beyond. This is your only opportunity to learn what others in our industry are thinking.

By being in attendance and meeting other distributors and suppliers, you will have a chance to turn *your* expectations into realities.

Convention...

In addition to the expectations, feelings and attitudes about tomorrow, you will learn from others in an informal, casual way. Specific workshops and meetings have been arranged, and the following subjects will be covered:

- Future Trends in Industrial Paper
- Time Management
- Trends in Printing Technology
- Office, Business Trends of the Future
- Short Term Economic Forecast
- Impact of Computerization
- Diversification Strategies
- 3 days of New York Sightseeing

Exposition...

The Annual Paper/Plastics and Allied Products Exposition will be held the first three days of the annual meeting at the New York Hilton Hotel. Convention meeting times have been adjusted so all those attending will have a greater opportunity to be on the floor of the show.

The Exposition features paper, plastic and related items including a wide range of retail and industrial packaging materials, food service items, sanitary supplies and equipment, non-wovens, foils, tapes, and other specialty products. Also on display will be equipment for dispensing, wrapping, marking, imprinting, and heat sealing. Computer hardware and software designed specifically for use by paper merchants will also be displayed.

The 1983 Paper/Plastics & Allied Products Exposition is your finest opportunity to increase your knowledge of new products available in the industry.

Don't Miss It...

You will be able to accomplish much in a short time at NPTA's annual meeting. It is the *most* valuable use of your time and resources. Don't miss the premier event of the year for distributors and their suppliers: The 1983 Annual Convention and Exposition of the National Paper Trade Association.

Exposition Hours 1983

New York Hilton, second floor

Saturday, September 24
12:00 Noon to 5:00 p.m.

Sunday, September 25
11:00 a.m. to 4:00 p.m.

Monday, September 26
11:00 a.m. to 4:00 p.m.

1983 Convention Program

Expectations In Paper Distribution Of Tomorrow

Future Trends in Industrial Paper Distribution

The discussion of the future of industrial paper distribution has created many questions. Merchants want to know what distribution methods are going to change the way they operate their businesses. **Dr. Buck Mathews** of Ohio State University will present the exciting changes taking place in industrial paper distribution.

Come to hear the results of the first systematic study of the future trends in industrial paper distribution: where we will be in the next 5-10 years. **Dr. Mathews** will discuss trends in company organization, marketing, competition, and products. This session is a *must* for all merchants, mill representatives, and suppliers of industrial paper and plastic products.

"Future Trends in Industrial Paper Distribution" is a meeting of the Industrial Paper Division.

Growth Strategies in Paper Distribution for the 80s

The National Paper Trade Association's Research Foundation has commissioned **Dr. Denis F. Healy**, president of Healy & Associates to study the future directions of the paper distribution industry as its first project.

The remainder of the 1980s will be an interesting period for paper and allied products distributors. There will be many opportunities, but only for those who are prepared to take advantage of them.

Dr. Healy's presentation is for anyone who is serious about improving his firm's position in the years ahead. If you attend only one session during the convention, this should be it.

Young Executives Forum

Reception and Luncheon (open to Young Executives and their guests: tickets $35)

Time Management and The Young Executive

(This seminar is open to all)

Good time management can provide the greatest boost to personnel productivity of all the factors which affect work life. **Dr. Merrill E. Douglass**, founder and chairman of the board of Time Management Center, will address the most difficult time management subjects, and provide answers for young executives. The proper use of time can turn a good manager into a great one. There are just so many hours in the work day, and young executives are keenly aware that the job must get done.

The Young Executives Forum is providing the tools to help managers avoid time traps, and to know where time spent will yield the biggest payoff.

This event is open to those young executives under the age of forty, their spouses, and friends. (See the Special Events Reservation form for ticket information.)

What Paper Merchants Want To Know About The Future of Printing Technology

Noted expert **Dr. Nelson Eldred** of the Graphic Arts Technical Foundation (GATF) will present the changes in the printing industry affecting the uses of paper. Communications technology, the printing plant of 1990, growth projections for various segments of the printing industry, and specific analyses of the trends in printing paper usage wil be highlighted. **Dr. Eldred** will invite questions from the audience.

This session is a meeting of the Printing Paper Division of the National Paper Trade Association.

General Business Session

Walter L. Moore, NPTA Chairman of the Board and President and CEO of Unijax, Inc. will present the keynote address on the 1983 Convention theme "Expectations in Paper Distribution of Tomorrow."

All meetings held in the Sheraton Centre Hotel, except for Saturday's Industrial Division session held at the New York Hilton Hotel.

Dr. Donald Ratajczak, Director of the Economic Forecasting Project at Georgia State University, is a nationally known economist. He will present paper industry and general economy forecasts.

Theodore Gordon, president of the Future Group, will discuss the future trends in business, the work place and employment.

Annual Business Meeting

NPTA Members Only

The Annual Business Meeting of the National Paper Trade Association is an opportunity for members to learn of the activities of the Association in the past year. It is also a time to help forge the direction the Association will take in the industry.

Paper Specification from the Designer's Point of View

A panel of experts in publication design and promotion will discuss the decision making process involved in paper selection. A print art director from a prestigious New York advertising agency, a sales promotion specialist at a corporate advertiser, a print production manager of a sales promotion agency, and a graphic designer from a design firm will speak to paper merchants about their concerns about suiting the right paper to the job.

This session is a meeting of the Printing Paper Division of the National Paper Trade Association.

Diversification: Lessons To Be Learned For Paper Merchants

Every commodity line has its own style, its own driving force, and its unique traditions, systems and procedures. Can these characteristics be transferred to paper distribution? Should paper merchants be learning lessons from other commodities which may help them improve their operations?

This session will highlight the experiences of three major paper distribution companies.

The Impact of Computerization on Paper Merchant Operations In The Next Five Years

Computerization is changing paper distribution operations, and the next five years will see more extensive changes than in the past five. Paper merchants want to know how this "information revolution" will affect their businesses.

Richard C. Friedman, president of General Business Consultants, will discuss the role of computers in the future of paper distributors. How will the next generation of computer applications affect the operation of paper merchant firms? What link of electronic hook-ups between mill, merchant, and customer will be in place? What will be the *true* cost of computerization?

Everyone knows that computers have changed the way business is conducted today. The question that **Mr. Friedman** will answer is, "How will computerization change the way business is conducted *tomorrow*?

Trends in Paper Merchant Sales Representative Compensation

Reward, recognition, motivation and control are the essential components of any effective compensation system. Do current paper distribution industry programs accomplish these objectives? Will existing systems of compensation be adequate for the future? Will future economic, market conditions, and product mixes cause managers to re-evaluate their policies?

Be sure to hear **Claude Kordus** of Hewitt Associates, a firm with extensive experience in paper merchant sales compensation, talk about ways to improve your sales compensation system.

Due to the importance of this subject, no other Management Conference session is scheduled in this time slot.

Schedule of Events

FRIDAY
September 23

8:00 a.m. - 12 Noon
NPTA Committee Meetings

1:00 p.m. - 5:00 p.m.
NPTA Board of Directors Meeting

4:00 p.m. - 8:00 p.m.
Registration: Hilton, second floor

SATURDAY
September 24

8:00 a.m. - 4:00 p.m.
Registration: Hilton, second floor

10:30 a.m. - 12 Noon
Future Trends - Industrial

12 Noon - 5:00 p.m.
Paper/Plastics Exposition

12:30 p.m. - 3:00 p.m.
Spouses Program: The Soho Experience

SUNDAY
September 25

9:00 a.m. - 4:00 p.m.
Registration: Hilton, second floor

10:30 a.m. - 12 Noon
Growth Strategies for the 80s

10:30 a.m. - 3:00 p.m.
Spouses Program: Life Styles in New York

11:00 a.m. - 4:00 p.m.
Paper/Plastics Exposition

11:45 a.m. - 3:30 p.m.
Young Executives Forum

1:30 p.m. - 3:00 p.m.
Future of Printing Technology

MONDAY
September 26

8:00 a.m. - 4:00 p.m.
Registration: Hilton, second floor

9:00 a.m. - 11:00 a.m.
General Business Session

11:00 a.m. - 11:30 a.m.
Annual Business Meeting

11:00 a.m. - 4:00 p.m.
Paper/Plastics Exposition

11:00 a.m. - 3:30 p.m.
Spouses Program - High Finance & High Art

2:00 p.m. - 3:30 p.m.
Paper Specification

TUESDAY
September 27

9:00 a.m. - 12 Noon
Registration: Sheraton Centre, second floor

9:00 a.m. - 10:30 a.m.
Diversification: Lessons for Merchants

9:00 a.m. - 10:30 a.m.
Impact of Computerization

10:30 a.m. - 12 Noon
Trends in Sales Compensation

12:00 Noon - 12:30 p.m.
Luncheon Reception

12:30 p.m. - 2:00 p.m.
Chairman's Luncheon

Spouses Program *The Big Apple Experience*

The National Paper Trade Association proudly presents *The Big Apple Experience* for Convention Spouses. The three-day program provides luncheons, tours, demonstrations, and exciting visits to many of the spots which make New York the *Big Apple*. All Spouses Programs will depart from the Sheraton Centre Hotel.

Reservation: See enclosed "Special Events Reservation Form" for details.

Saturday, September 24
12:30 p.m. - 3:00 p.m.
The Soho Experience

The group will travel by deluxe motor coach to a tri-level converted loft in the famous art district of Soho. At this loft that has appeared in *Architectural Digest* magazine, the group will participate in a cooking lecture demonstration. A buffet luncheon will be served consisting of the items discussed. There will be ample time to roam and explore this incredible urban setting.

Sunday, September 25
10:30 a.m. - 3:00 p.m.
Life Styles in New York

A brasserie brunch is planned at Maxwell's Plum on New York's fashionable upper east side. This well-known meeting place is frequented by many of New York's jet-set.

After champagne and a variety of culinary delights, the group will depart for the many splendored Rockefeller wing of the Metropolitan Museum and a behind-the-scenes tour of the world famous Sotheby-Parke Bernet auction house.

Monday, September 26
11:00 a.m. - 3:30 p.m.
High Finance and High Art

Only in New York could you combine the worlds of art and finance in one day. The activity will begin with lunch, 107 stories above the ground at the world famous *Windows on the World Restaurant*, atop the World Trade Center.

After lunch, the group will be escorted to view the private corporate art collection of the work of the reknowned sculptor, Auguste Rodin in elegant architectural space on the 104th floor of the World Trade Center; then on to the Center's sculpture court to view the masterpieces of Noguchi and Calder.

This will be followed by a specially arranged tour of the floor of the largest, most active and most highly regarded stock exchange in the world: the New York Stock Exchange — an experience very few people ever have.

To increase your understanding of the fast paced financial world, a meeting has been arranged with Dr. Allan Felix, of the Exchange. He will explain the operation of the New York Stock Exchange in its private Board Room which is filled with portraits and antiques.

On-site reservation will be handled first-come first-served on a space available basis.

Chairman's Luncheon

A social event - a tribute to an industry citizen - an inspirational speaker - and a good cause. All reasons to attend NPTA's Chairman's luncheon. This year's Chairman's luncheon on Tuesday, September 27, at 12:30 p.m., will be held in honor of **Stanley O. Styles**, longtime NPTA Senior Consultant and friend of many in the paper distribution industry. Since 1949, after finishing up a 36 year career with Martin Cantine Paper Co., Stan has been selflessly serving NPTA members and suppliers in the paper industry.

Stanley Ormsbee Styles

During his 89 years, Mr. Styles has been most generous with his time, not only for our industry but also in public and civic activities. Among his long list of accomplishments are:

- Past President of the Sales Association of the Paper Industry and the Paper Club of New York.
- He served during World War II as a dollar-a-year-man on the War Production Board as a consultant on the delicate problems of allocating the nation's then restricted paper production.
- He is the former Mayor of his long-time home town of Wayne, N.J.
- He was appointed by President Eisenhower to become the Controller of Customs for the Port of New York, a position he held for four years.
- He has served 50 years on the Wayne, N.J. Red Cross Chapter (with more to come) and with the Wayne Savings & Loan Association, where he is now Chairman of the Board.
- A Paul Harris Fellow in Rotary International. He is now that organization's international observer at the United Nations.

Dr. Norman Vincent Peale, a long time friend, will be the featured speaker at the Chairman's luncheon. Be sure to be there to hear Dr. Peale's inspirational message to us all.

Mr. Styles will add another accomplishment to his already long list by allowing the proceeds from this luncheon to be the first fund raiser for the newly created National Paper Trade Research Foundation; a non-profit corporation specifically created to study and research issues in the paper distribution industry.

In order to perpetuate the spirit of unselfish service to the paper distribution industry, the **Stanley O. Styles Award** has been created and will be given out annually to some representative of the industry who exemplifies the qualities of Mr. Styles. Be there to share this joyous occasion.

See Special Events Reservation Form for tickets

Dr. Norman Vincent Peale

Dr. Norman Vincent Peale is the author of twenty-four books, of which *The Power of Positive Thinking*, one of the most successful books ever published, has been translated into thirty-three languages, with a sale of nearly five million copies. The title has become part of our language. His latest books are *You Can If You Think You Can*, *Enthusiasm Makes the Difference*, and *The Positive Principle Today*. Dr. and Mrs. Peale are co-publishers of the inspirational monthly magazine *Guideposts* with circulation of three and a half million. Featured speaker at many business, trade, and sales conventions throughout the United States and abroad, Dr. Peale has inspired thousands with his films, *How to Be a Real Salesman* and *How to Raise Your Batting Average In Selling*.

Dr. Norman Vincent Peale has received numerous honorary degrees including ten doctorates. He has also received many service awards for outstanding leadership in America.

NPTA Launches New Paper Distribution Research Foundation

At its April 21 meeting, the Board of Directors of the National Paper Trade Association approved the formation of the **Paper And Plastics Education Research (PAPER) Foundation**. The foundation will become a 501(c)(3) corporation whose sole purpose will be to conduct research and educational projects in the area of paper distribution.

"There has long been a need to systematically study the paper distribution industry. The information that flows from such study will benefit everyone, both mills and merchants, in our industry. I feel that the research foundation is a perfect vehicle to accomplish this work," stated Walter L. Moore, President and Chief Executive Officer of Unijax Inc. and Chairman of the Board of NPTA. "By creating a separate entity to conduct research on the industry, we felt we would be giving this important subject the focus and attention it deserves," reported John J. Buckley, Jr., President of NPTA.

Starting in 1984, a percentage of all membership dues will be allocated to the research foundation. All members of NPTA will become members of the foundation, and this will give the research group the ongoing steady source of income that will be necessary for proper project planning. Suppliers will be encouraged to join the foundation through an annual membership fee. Funding will also be arranged through solicitation of special contributions from interested parties, and through special fund raising events.

The foundation's future direction and choice of research projects will be determined by a separate Board of Directors consisting of both paper merchants and member mills. All administration of this foundation will be handled by the existing NPTA staff.

"The creation of the foundation will be an excellent chance for mills and merchants to work together on projects of mutual interest. It will be a true example of good mill/merchant relations at work. I hope many suppliers decide to join," remarked Lionel W. Eltis, Board Chairman, Consolidated Marketing Inc. and First Vice Chairman of NPTA.

The first research project of the foundation has been chosen. Dr. Denis F. Healy, President of Healy & Associates, will conduct a study entitled "Growth Strategies for Paper Distribution in the 80s." Dr. Healy is a leading consultant in the field of distribution. In addition to his individual consulting work with many wholesaler-distributors, he has authored the best selling distribution book entitled *Improving Profits Through Better Marketing: The Marketing Productivity Audit*. Dr. Healy will present the findings of his Growth Strategies research on Sunday, September 25, 1983 at the NPTA convention in New York. A publication will follow.

For more information on the Research Foundation, contact John J. Buckley, Jr., National Paper Trade Association, 111 Great Neck Road, Great Neck, NY 11021. MN

1983 Exhibitors And Registered Manufacturers

(As of 7/18/83)

Acor Plasticover Co., Inc.
Alfred Bleyer & Co.
Alliance Rubber Company
American Cellophane & Plastic Films
Amko Plastics Inc.
APS Autovend Packaging Systems
Armin Corporation
Artfaire
Bagcraft Corporation of America
Barrier Industries, Inc.
Beach Products
Bedford Industries, Inc.
Beier & Company
Bemis Company, Inc.
Berwick Industries Inc.
Better Packages, Inc.
Bulman Products, Inc.
Canover Industries
Carew Dimensional Systems
Carroll Company
Cellucap Manufacturing Company
Century Packaging, Inc.
Champion International Corp. Chicopee
Clark Paper Converting Corp.
Clear Shield National, Inc.
Ben Clements & Sons, Inc.
Coastline Handi-Bag Inc.
Colgate Palmolive Company
Colony Candle Corporation
Comet Products, Inc.
Compuguide Chemical Corporation
Consolidated Brands Inc.
Continental Extrusion Corporation
The Crowell Corporation
Crown Zellerbach
Dart Container Corporation
DataCom, Inc.
Douglas Stephen Plastics, Inc.
The Drackett Products Company
Duro Paper Bag Manufacturing Co.
Economics Laboratory, Inc.
Economy Cover Corporation
Ekco Products, Inc.
Epco, Inc.
Epic Industries Division of Metroval, Inc.
Equality/Stribbons
Equitable Bag Co., Inc.
Erving Paper Mills
Fabian Taping Dispenser Corp.
Fibracan Corporation
Filmpack Plastic Corp.
Fonda Cup & Container Group
Fort Howard Paper Company
Forster Manufacturing Co., Inc.
Franklin Disposables, Inc.
Freeman Paper Company
Gallos Plastics Corporation
Gem Giftwares, Inc.
Genpak Corporation/ Polytherm Products
Gift Sales Company
Glue-Fast Equipment Co., Inc.
Handcraft Company, Inc.
Handi-Kup Company
Hoffmaster Company, Inc.
Hospital Specialty Company
Imperial Cup Corporation
Indiana Carton Company
International Staple & Machine Co.
Jet/Plastics Industries, Inc.
Kaiser Aluminum
The Kendall Company
K.H. Industrial Sales Ltd.
Lawrence Packaging & Paperboard Corp.
Lily-Tulip, Inc.
The Lockwood Association Inc.
LPS Industries, Inc.
3M/Tape & Allied Products
Mack-Allied Corporation
Marcal Paper Mills Inc.
Marsh Stencil Machine Company
Midwest Film Corporation
Moser Bag & Paper Company
The Mutual Precision Company
Nice-Pak Products, Inc.
NIF Associates, Inc.
Nyman Manufacturing Company
Peacock Products
Peck Incorporated
Permacel, An Avery International Company
Plasti-Bag
Plastics, Inc.
Plymouth Rubber Company, Inc.
Portion Packaging Inc.
Price Books, Inc.
Pride-Made Products, Inc.
Regal Poly-Pak
Rexcel
Rixie Paper Products
Robbie Manufacturing, Inc.
Rochester Midland Corporation
Royal Paper Products, Inc.
Sani-Fresh International, Inc.
Sealcraft Packaging Corporation
Sealright Company, Inc.
Single Service Institute
H.P. Smith Paper Company
Solo Cup Company
Southern Champion Tray Company
Springprint Paper Products Company
Sterling Paper Company
Stevens & Thompson Paper Company
Stewart Sutherland Inc.
Supreme Poly Products Inc.
Sweetheart, Division Maryland Cup Corporation
Tagsons Papers, Inc.
Tuck Tape
Tuffwear Manufacturing Corporation
Union Camp Corporation
U.S. Tape, Inc.
Webster Industries
WFR Ribbon Corporation
White Mop Wringer Company
Winchester Carton Corp.
Wisconsin Tissue Mills Inc,

1983 Registered Manufacturers

Anchor Continental
Appleton Papers
A & E Plastics Inc.
Bagcraft Corporation of America
Climax Mfgr. Co.
Consolidated Papers
Comet Products, Inc.
Cowa Tape
The Crowell Corporation
Decorated Paper
Domtar Industries
Druth Packaging
Eastern Fine Papers
EKCO Products, Inc.
Fischer Paper Products
Form Fit Plastics
Fortune Plastics
Fort Howard Paper Company
Fraser Paper Ltd.
Freeman Paper Co.
French Paper Co.
Gilman Paper Company
P.H. Glatfelter Co.
Gordon Paper
Hammermill Paper Co.
Handy Wacks Corp.
Heritage Bag
Holland Manufacturing Co.
Jiffy Packaging Corporation
James River Co.
Kimberly-Clark Corp.
Linden Cards
Linweave Inc.
Mac Tac
3M
Millhiser Inc.
Maryland Plastics, Inc.
Moser Bag
Nashua Corp.
Niagara Envelope
NIF Associates, Inc.
Nitto Denko America, Inc.
Party World Consultants
Penntech Papers, Inc.
Polyvinyl Films Inc.
Potlatch Corp.
Shamrock Gravure Products
Scott Paper Company
Shuford Mills, Inc. - Tape Div.
Solo Cup Co.
Sweetheart Cup Corp.
Tuck Tape
Tape Inc.
Van Brode Industries
Byron Weston Company
Williamhouse Sales
Y-Not Better Papers
The Ziff Company

DIMENSIONS IN TRAINING

Kaymac Paper Company Holds First NPTA Conducted In-House PSSII Program

By Frank Tilley, President
Kaymac Paper Company
Dallas, Texas

NPTA developed and implemented a two-and-one half day Professional Sellings Skills II (PSSII) program on-site at Kaymac Paper in Dallas last April. The purpose of the training was to increase the skill level of salespeople in the following way:

- Uncover specific product needs by asking the right questions.
- Listen for clues that will help determine the sales call direction.
- Demonstrate how their products can satisfy a prospect's needs.
- Distinguish between different customers attitudes, and manage those attitudes.

At the conclusion of the program, I found that my people were now equipped to:

- Open their sales call in a way that immediately establishes that they have something valuable to offer.
- Ask questions that will reveal their customer's problems, attitudes and feelings.
- Identify and confirm their customer's needs, and to introduce a product benefit that will answer this need.
- Turn an objection into an opportunity.
- Know how and when to attempt to close.
- Review the sales commitment so that the customer understands what actions will follow.

Kaymac Paper is a 29 year old independent industrial paper distributor in Dallas, Texas, and became the first participant in NPTA's new in-house training program utilizing the Xerox Professional Selling Skills II course material. The session lasted two-and-one-half days, Friday through Sunday for nine of Kaymac's sales staff and sales service personnel. The session was conducted by Bruce H. Linden, NPTA Director of Education and Training.

Continued development of sales personnel is a key concept in Kaymac's growth strategy for the 80s. Sales expense is the largest portion of the margin dollar so improving productivity in sales will yield the most results. Also, sales management is the greatest consumer of management time. A course like PSSII for all personnel provides a common language of communication and approach to sales problems.

Perhaps the most valuable result of PSSII is that sales personnel learn that they can manage the sales situation through the skills learned in PSSII rather than reacting to the buyer's controlled situation. As with all skills, we'll only become good by using them. That'll be the real test.

The in-house program of NPTA offered us the opportunity to tailor the role-play and exercises somewhat to areas familiar to our sales people so that they were able to apply those concepts learned from the generalized Xerox material to their more specific experiences.

Field Training Responsibilities

The Education and Training Department believes the field sales manager plays a pivotal role in upgrading the professional selling skills and growth of his sales team. The Department has met with many of NPTA members' sales managers and realize they are a vital link to their firm's profitability.

The long range success of the sales force is reflected in the field manager's ability to help his people develop selling and personal skills. The manager's responsibility is to influence training in four ways:

1. By a home office "training department" which specializes in training sales persons.
2. A full-time assistant to the sales manager whose main duty is training and orientation.
3. By the sales manager without any assistance.
4. By the sales manager and a staff of "assistant trainers," including salespersons and the office personnel.

Regardless of the method, the initial training procedure should incorporate product knowledge, selling skills and company policies and procedures.

It is the responsibility of the field sales manager to schedule as many "work-with" session with the field sales personnel as possible. This activity includes calling on accounts with them to view their territories and discuss specific problems. The "work-with" sessions should involve a full day of work and not the "fly in—make one call—lunch with the salesperson—fly back" type. More can be accomplished in a full day's contact for guidance, evaluation and support than in a month of memos and phone calls.

The role of the field sales manager on all customer calls is one of an observer and not a participant. The field sales manager should not attempt to get involved in the sales transaction unless a specific situation demands it.

The field sales manager should learn the fine art of coaching after each "work-with" call.

After each call, the manager and the salesperson discuss the strengths and weaknesses of the call and formulate specific courses of action for performance improvement. The results of these sessions can serve as an

informal base for subsequent formal performance evaluation and review.

The field sales manager is the catalyst for the marketing arm of the company. This job is to activate the marketing environment.

Management can be rated as successful only when the long-range results are successful. It takes great personal strength to manage for the long-range objective. The results are cumulative. If you train your salespeople to be only 10 percent more effective this year, that extra 10 percent will be working for you every year thereafter. Just 10 percent more effectiveness from a million dollar sales rep is $100,000 more sales—and a lot of net profits. MN

Chairman's Corner

WALTER MOORE
NPTA's Chairman of the Board

New Expectations For The '83 NPTA Convention

It is my sincere hope that the NPTA Convention (September 24-27) will again be a rewarding experience for the traditional reasons for all attendees. I hope that the innovation of new ideas will be the *particular reason* that you will remember '83 as a meaningful Convention.

The theme is "Expectations In Paper Distribution Of Tomorrow." That says it all! Go to the Convention determined that you will pick up fresh ideas and resolve that you will implement something new in your business.

During this past year, I have touched on a number of the changes that are impacting the style of distribution. These touch every aspect of the paper merchant business from innovative compensation schemes to the utilization of high technology. It is my personal opinion that paper merchants have not been on the leading edge of U.S. distributors in incorporating new technology. Distributors in other styles of business are today regularly utilizing techniques that you will hear about at the Convention as new ideas.

There are many members of our trade that will be laboring at home than at the Convention. They too, could look around for ways to improve their businesses. Just as the old saying "Don't confuse change with progress" is valid, remember the "reluctance to change factor" has assisted more than a few businesses to the poor house. Innovate a little and be rewarding significantly. MN

Calendar Of Events

August

1. New York Paper Merchants Association Golf Outing. Tam O'Shanter Golf and Country Club, Brookville, NY.

19-21. National Association of Quick Printers Seventh Annual Convention and Quick Print Expo. Hyatt Regency Hotel, Chicago, IL.

September

11-14. Canadian Paper Trade Association Annual Convention. Chateau Frontenac Hotel, Quebec City, Quebec, Canada.

11-14. Graph Expo sponsored by PIA and NAPL. McCormick Place, Chicago, IL.

11-15. INDA—Association of the Non Woven Fabrics Industry General Membership Meeting and Technical Symposium. Hilton Hotel, Baltimore, MD.

13. Empire State Paper Association/Allied Paper Salesmen's Association Clambake. Hinerwadel's Grove, North Syracuse, NY.

24-27. National Paper Trade Association Annual Convention and Exposition. New York Hilton and Sheraton Centre Hotels, New York, NY. Contact NPTA.

NPTA Conferences:

Trends In Paper Distribution Computerization

November 15-16, 1983, Houston, TX. Computerization of paper merchant operations is becoming a critical issue. Hardware selection, ways to improve efficiency, computer management, and trends will all be presented. The Conference will include an exhibit of hardware, software, audio visual presentations, case studies and open discussions.

Paper Merchant Human Resource Development

December 7-8, 1983, Atlanta GA. The effective utilization of all company employees is a major challenge of the 80s. The Conference will focus on: How to carry sales training into the job, the evaluation of training programs, effective management development, reducing turnover problems, effective selection.

The Manager's Notebook

Misfiles Cost You Money

One of the things paperwork consultant Robert A. Shiff discovered while surveying hundreds of offices is that we spend 20 to 30 percent of our time just looking for information, states Dartnell. Management engineers have put a dollar value on that lost time. Their estimates of the cost of a single misfile range from $61 to $73! Check your file drawers for these seven common causes of lost information:

Guide headings are too complex: Keep them simple! Headings aren't clearly legible: Type labels clearly in all caps (ACCOUNTING). Guides are too many or too few: There should be no less than five and no more than 15 per drawer. File drawers are overcrowded: Leave three to four inches of extra space per drawer. File folders are overcrowded: Papers shouldn't ride up, covering the guide. Cross references aren't used often enough: Use a standard cross reference form on colored stock showing the subject of the document, the date, and where it's located in the files. Papers aren't indexed correctly: Before filing anything, write the correct file heading in the upper righthand corner of each document, or underline it in colored pencil if it appears in the text.

Direct Mail Tips That Work

According to a report in **Adweek**, *more and more companies and organizations are tapping the potential of direct mail. Here are some tips that should help:*

- *Look at the mailing piece the way the reader does. Open the envelope the way the reader will. Are the pieces inserted in the proper order?*
- *Keep your primary objective in mind. What's the goal of the mailing? Does the package get readers to express enough interest to respond?*
- *Does the No. 1 benefit hit the reader between the eyes? Readers react to benefits, not to features.*
- *Does the outside envelope encourage you to open it? Sometimes a teaser line that promises a benefit will help; sometimes just the return address is the best approach. Test to see what works with which list.*
- *The letter should be the first thing the reader finds. Put it first to be seen when the envelope is opened; people are used to reading letters, and they'll go for it first anyway.*
- *The letter should discuss the reader's needs, the product's benefits, endorsement and how to respond. The needs and the product's benefits must be established first or the rest of the package is meaningless.*
- *Be sure the reply card communicates the entire offer. Frequently potential responders keep only the order card. It should contain all necessary information to order.*
- *Give a reason to act now. Offer a benefit for immediate action.*

Would you respond to the mailing? If not, determine what the barrier is and eliminate it.

Cutting The Cost of Hiring

According to Arthur Young & Co., a firm can cut the cost of hiring new employees by up to $4,500 each through use of the Targeted Jobs Tax Credit. The credit is 50% of the new-hire's first-year wages (up to $6,000) plus 25% of second-year wages (Up to $6,000). Targeted groups:

- *Handicapped persons undergoing vocational rehabilitation.*
- *Persons on federal welfare.*
- *Individuals receiving state or local general assistance for more than 30 days.*
- *Work-incentive participants.*

The credit is also available for hiring members of an economically disadvantaged family who:

- *Are Vietnam veterans.*
- *Are aged 18-24, or 16-19 and participating in qualified cooperative education.*
- *Were convicted or released from prison within the last five years.*

PAPER MERCHANT SALES REPORT

JUNE, 1983

	NPTA REGIONS	SALES PER SELLING DAY JUNE 1983 "COMPARED TO" JUNE 1982	SALES PER SELLING DAY JUNE 1983 "COMPARED TO" MAY 1983	SALES PER SELLING DAY 1983 YEAR-TO-DATE "COMPARED TO" 1982 YEAR-TO-DATE	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF JUNE 1982	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF JUNE 1983	CALENDAR DAYS' COST* OF ENDING MAY INVENTORY 1982	CALENDAR DAYS' COST* OF ENDING MAY INVENTORY 1983
INDUSTRIAL	1	+ 6.8%	+ 3.6%	+ 4.7%	41	46	61	53
	2	+ 5.4%	+ 5.8%	- 0.6%	35	33	50	54
	3	+ 9.1%	- 3.5%	+ 4.8%	31	33	67	62
	4	+ 7.1%	+ 3.8%	+ 8.3%	35	36	58	56
	5	+ 5.3%	+ 0.9%	+ 1.8%	35	32	60	60
	6	+15.6%	+ 5.2%	+ 1.9%	42	36	58	--
	7	+ 5.5%	+ 4.1%	- 1.3%	35	36	52	66
	NY METRO	+10.4%	+ 1.0%	+10.5%	43	41	51	--
	CHICAGO METRO	+ 6.2%	+ 1.5%	+ 2.2%	36	39	60	63
	LA METRO	+ 8.1%	+ 1.2%	+ 1.9%	46	51	53	49
	US	+ 7.8%	+ 1.7%	+ 3.7%	37	36	58	58
PRINTING	1	+15.7%	+ 4.4%	+12.7%	52	48	60	--
	2	+ 9.6%	+10.1%	+ 5.0%	51	46	65	68
	3	+15.9%	- 6.6%	+ 8.3%	42	41	84	80
	4	+ 8.5%	+ 1.5%	+ 6.2%	44	42	75	75
	5	+17.3%	+ 3.0%	+ 7.8%	43	43	80	--
	6	+ 5.9%	+ 3.6%	+ 0.8%	42	41	63	--
	7	+ 3.1%	+ 2.5%	- 0.6%	39	39	71	82
	NY METRO	+ 7.9%	+ 3.7%	+ 3.5%	45	43	64	--
	CHICAGO METRO	+ 5.0%	- 1.6%	+ 7.1%	45	44	62	69
	LA METRO	+12.7%	+ 0.9%	+11.0%	38	35	79	78
	US	+12.5%	+ 2.2%	+ 6.1%	44	42	72	77

*TO CALCULATE MONTHLY INVENTORY TURNOVER, DIVIDE 365 CALENDAR DAYS BY # OF CALENDAR DAYS COST, EG, 365/73 = 5.00x.

Region 1 CT, ME, MA, NH, RI & VT
Region 2 DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3 AL, FL, GA, NC, SC; TN & VA
Region 4 IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5 CO, IA, KS, MN, MT, NE, ND SD, WY
Region 6 AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7 AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co.
NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos.
IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego
Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

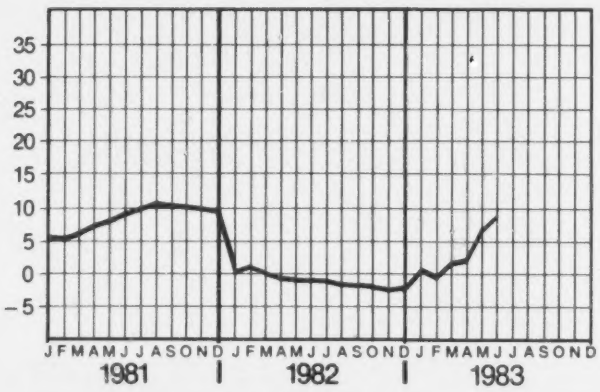
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

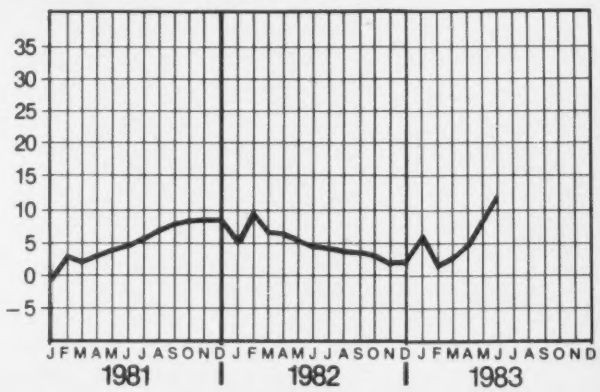
Paper Merchant Sales Report
Summary National Trend Information: 1981 to present

SALES INFORMATION: YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY.

INDUSTRIAL PAPER SALES NATIONALLY

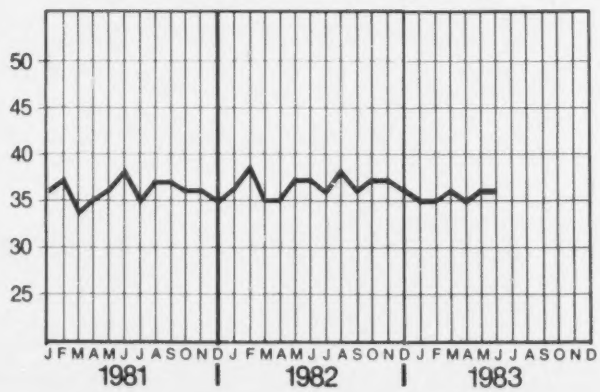


PRINTING PAPER SALES NATIONALLY

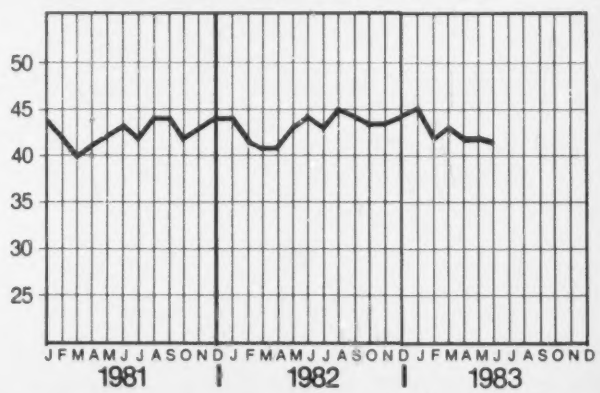


RECEIVABLES INFORMATION: DAYS OUTSTANDING FOR ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY

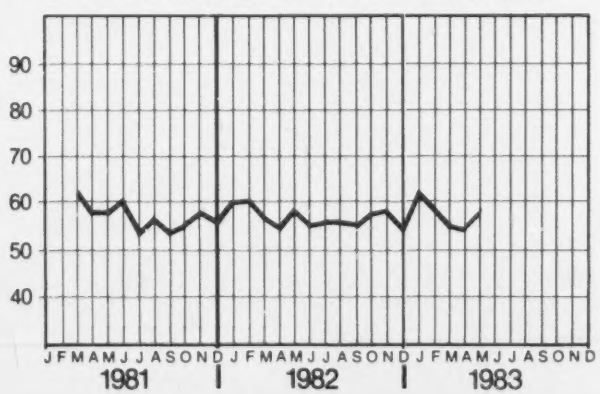


PRINTING PAPER RECEIVABLES NATIONALLY

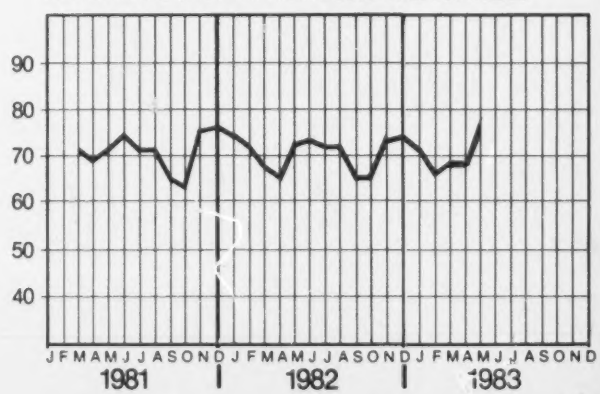


INVENTORY INFORMATION: CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



WASHINGTON WATCH

Should Regulations Set The Standard For Fiber Type In Your Paper

The paper mills that produce paper from both virgin and recycled fiber are concerned about potential regulations that impact state paper purchasing programs says the American Paper Institute. They are concerned because these programs may include restrictive measures that effectively exclude some from bidding on state paper business.

The following is API's view of the issue:

1. Specifications should be based solely on the required performance characteristics of the paper, not on whether the fiber is from a recycled or virgin source. So doing will encourage the maximum number of bidders and the free market will operate to encourage the production of products which are least costly and most efficiently produced, thereby conserving the most resources in the process.

2. Paper collected for recycling increased 50% in the last ten years, from 12 million tons in 1970 to 18 million tons in 1980.

3. There is no correlation on a national basis between fossil fuel energy consumed and the type of fiber used in printing/writing paper mills.

4. Although high quality printing/writing can be, and is, made from recycled fiber, the opportunity to increase in a major way the amount of recycled fibers used and thereby reduce solid waste is least in printing-writing papers and greatest in paperboard.

5. There are positive steps that states can take to increase the use of recovered fiber and to conserve resources.

Up-date On Multiemployer Pension Reform

No bill yet, but Senate Labor Subcommittee Chairman Don Nickles (R-OK) is expected to introduce a Coalition for Multiemployer Pension Reform bill shortly. The National Association of Wholesaler-Distributors is working with other coalition participants to secure original co-sponsors to join Nickles in introduction of the bill.

New Teamster President Jackie Presser is now reviewing American Trucking Association teamster group withdrawal liability exemption legislation. If he gives nod, legislation will then be introduced by Senators Durenberger (R-MN) and Danforth (R-MO) and hearings will be scheduled in Senate Finance Pensions Subcommittee. NAW is working toward a rapid introduction of the Nickles bill to provide competitive alternatives to teamster-trucker "single industry" MPPAA bail-out.

Small Business Management Assistance Program

The "Small Business Institute Program" is sponsored by the U.S. Small Business Administration and links small businesses to the resources and management expertise of college and university schools of business. The SBI provides confidential and professional management assistance at no cost to small businesses. Through the SBI program, seniors or graduate students can be assigned to work on a small business case with their college advisors. The project is closely associated with effort of the Small Business Administration.

It is generally acknowledged that small businesses create the majority of new jobs and are frequently the source of innovation in the U.S. The 14 million small businesses in the United States comprise 96% of the total of all businesses. The unpleasant fact is that many thousands of small businesses in the country fail each year.

The Small Business Administration originally conceived the idea to establish a mutually rewarding relationship between colleges and their business communities. The purpose is to promote the retention and growth of successful small business enterprises throughout the nation.

Obviously, both owners of small businesses and students benefit from the program. Students receive an opportunity to put their classroom knowledge and skills to work, while businesses get the kind of quality consulting services they might not otherwise be able to afford.

Sample Projects The SBI Performs

Market Surveys
Store Image Surveys
Inventory Control Systems
Cash Flow Management
Overall Marketing and Business Plan
Advertising Strategy
Collection and Credit Policies
Management Development And Hiring Plan
Adoption Of A Computer For Record Keeping
Site Location Studies
Plant Lay-out Improvements
Expansion Studies

How A Small Business May Apply

If you would like information about these services or would like to discuss how the SBI may assist your small business, please call or write your nearest District SBA office or the national SBI office: 1441 L Street N.W. Washington, D.C. 20416. MN

Young Executives Forum

By Walter E. Lamb
Carolina Paper & Builders Materials, Inc.

Four months ago, the Young Executives (YEF) initiated this monthly information section of *Management News* to bring you meaningful articles written by members of the YEF on subjects in tune with today's challenge of running a paper distribution business. In the first article, we brought you up-to-date on the nine-year history of the YEF and in other issues we outlined our long-range plans.

It will also be the purpose of this column to keep you advised of educational events sponsored by the YEF. Each year, we sponsor a seminar at the NPTA convention and attempt to bring in one of the top minds in the country on our selected topic.

This year, we are very pleased to present for you, Dr. Merrill E. Douglass. Dr. Douglass is an **Executive**—Founder and Chairman of the Board of Time Management Center, an **Author**—of the popular book *Manage Your Time, Manage Your Work, Manage Yourself*, and a **Speaker**—conducting over 100 Time Mangement Seminars and speeches every year. Since 1970, Dr. Douglass has been helping people become more effective...get more done...do it in less time...and get better results, too. He helps you use his ideas. *Fortune Magazine* and *The Wall Street Journal* recently called Dr. Douglass a "...top expert."

His techniques have been tested and proven effective. Over 86 percent of executives rate his Time Management program: Excellent. And, they report a 14 percent average increase in personal productivity following his program.

Dr. Douglass developed, and presents the highly successful time management seminars sponsored throughout North America by the American Management Association. He also regularly conducts inhouse programs for leading firms such as Bell Laboratories, Celanese, Elcor Corporation, IBM, ITT, Union Carbide, and many others.

Dr. Douglass was formerly a Professor of Management at Emery University in Atlanta, Georgia and at Grand Valley State College in Grand Rapids, Michigan. He was also a manager with Ward Foods, Union Bank of Los Angeles, and the U.S. Treasury Department. He is a member of the Academy of Management, American Management Association, and The National Speakers Association. He is listed in *American Men and Women of Science, Who's Who in Finance and Management* and *Who's Who in America*. His Doctor of Business Administration Degree in Management and Organizational Behavior was earned from Indiana University.

He certainly has a most impressive list of credentials and recommendations, and we hope to see you there on Sunday, September 25. My personal experience in attending YEF Seminars has been most rewarding. Quite frankly, on many occasions, I have found it to be one of the best presentations at the convention.

Dr. Douglass' presentation will be open to anyone who wishes to attend. You must register in advance using the Special Events Reservation Form included in your NPTA Convention Package if you wish to attend the YEF Luncheon which precedes Dr. Douglass' session.

Position Wanted

Manager with twenty years experience in the distribution of industrial paper products seeks a position as Sales/Marketing Manager. Presently located in upstate New York, but will relocate. Has experience as sales representative, branch manager, marketing manager, and vice president operation.

To receive a complete resume, contact the editor.

NPTA
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National Paper Trade Association, inc.
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NPTA MANAGEMENT NEWS

September **Highlights** 1983

Twelve Firms Take Advantage Of Trial Membership

The NPTA six month trial member program has attracted twelve companies who wish to sample the benefits of membership. The companies are listed on page two.

Mills Report Sales And Profits

The quarterly sales and profit picture of twelve paper mills shows increased revenues over 1982, but uneven net income. (P. 3)

Printers Shave Paper Inventory

An NAPL quarterly report shows printers consuming more paper than they are buying. (P. 4)

API Survey Shows Sale Of Paper

The American Paper Institute released a survey of sales volume of paper by type of distribution. Not much has changed over the past five years. (P. 4)

The Disposable Cup Marks 75 Years

1908 saw the first Dixie Cup manufactured in the United States. Invented by Hugh Moore, over 40 million people each day now drink from the Dixie Cup. NPTA Exposition display will highlight the disposable cup. (P. 5)

Paper People Retire To The Good Life

Sun City, AZ is the home of many retired paper (and allied industry) people. The "Sun City Paper Group" may be part of your future. (P.8)

Training Support To The Industry

The NPTA Education and Training Department responds to the needs of member firms. The role of training in paper distribution companies is growing. (P. 10)

LIFO Survey

What has it cost you to adopt the LIFO method of inventory valuation? NPTA, NAW and the Federal Trade Commission want to know. (P. 15)

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NATIONAL PAPER TRADE ASSOCIATION, Inc.

News of Paper Trade Activities

Twelve Companies Take Advantage Of Trial Membership In NPTA

Congratulations and welcome aboard to the following companies:

Acorn Paper Company-Division of Parliament Paper Co.
Irving J. Kornberg, President
Philadelphia, PA

Acteson Paper Company
Charles S. Berney, President
Van Nuys, CA

Augusta Party Supply, Inc.
Rita Rice, President
Augusta, GA

Bret Packaging Company
Richard Elwell, President
Needham, MA

Hathaway Paper Company
Curtis H. Hathaway, President
Waynesboro, VA

Hill and Markes Inc.
Neal Packer, Executive Vice President
Amsterdam, NY

Kahn Paper Company, Inc.
Donald Kahn, President
Hyattsville, MD

Marfred Paper Company
Marvin Fenster, President
Pacoima, CA

Northern Distributing Company
Gary E. Fredkin, Vice President
San Jose, CA

S.B. Schmidt Paper Company
Stan B. Schmidt, President
Burnsville, MN

J. Stone & Son Inc.
Carol Stone, President
Lynn, MA

Wins Paper Products, Inc.
Douglas Wiley, President
Forth Worth, TX

People In The News

Perkins-Goodwin Company of New York City announced the promotion of **Homer G. Bogart** to Executive Vice President and Chief Operating Officer of the company. **Alfred J. Cancellieri** was appointed as Vice President of Finance and Administration.

Blake, Moffitt & Towne has named **W.E. "Skip" Keller** as Sales Manager of Printing and Business Papers.

Unijax, Inc. has appointed **Mike Ward** as Sales Manager of the Pensacola, FL branch, and **Robert K. Ruland** was named Branch Manager in Miami, FL. Also announced was the promotion of **Ron Schomburger** as General Manager of the company's Tallahassee, FL branch.

Fargo Paper Company, Fargo, ND, announced the promotion of **James C. Critelli** as Vice President-Industrial Papers. Mr. Critelli has been with the company since 1961.

WWF Paper Corporation announced the promotion of **Kenneth Payne** to Vice President and General Manager of its Charlotte, NC branch.

Conifer Paper Products of Berkeley, CA announced the promotion of **Leslie C. Hankin** to the position of Operations Manager and **Robert P. Mangasarian** to Branch Manager of their Fresno operation.

Mead Merchants has promoted **Clark D. Haling** to Branch Manager of the firm's Oklahoma City facility.

Great Northern Nekoosa announced that **Sherman G. Andrews** was named Vice President of Marketing, Leaf River Forest Products.

James River Corporation appointed **David Albright** as Vice President Consumer Products Marketing for their Towel and Tissue Group.

Howard Has Newsletter For Printers

Howard Paper Mills has created a newsletter for printing management titled "The Printer's Mill." It is designed to keep printing managers up-to-date on the latest developments in Howard products and services, and the profitability of buying Howard papers through Howard merchants.

According to J.H. McCarthy, VP Sales at Howard, "We were looking for a way to help our merchants sell." First efforts will be in selected key markets. Sample copies of the first issue will be available at the Howard hospitality suite at the Sheraton Centre Hotel during NPTA's Convention.

Paper Manufacturers Report Quarterly Sales and Profits

Company	Revenues April-June 1983 ($000)	Change from '82 (%)	Net Income April-June 1983 ($000)	Change from '82 (%)
Boise Cascade Corp.	$ 869,000	+17	$17,000	•
Champion International	1,061,491	+12	25,564	+122
Crown Zellerbach	652,300	-14	20,000	-6
Georgia Pacific Corp.	1,700,000	+20	56,000	-21
Great Northern Nekoosa	389,600	+9	21,700	+13
International Paper	1,070,000	+4	49,800	+21
Kimberly-Clark Corp.	826,000	+13	47,000	-20
Mead Corp.	627,300	+13	9,200	•
Scott Paper Co.	613,767	+4	33,033	+13
St. Regis Paper Co.	699,374	+7	9,963	-52
Union Camp	461,107	+18	31,150	-8
Weyerhaeuser Co.	1,300,000	+18	59,100	+126

•Not Applicable; loss in 1982 period.

Office Changes And Acquisitions

Saxon Industries announced the relocation of their corporate headquarters to 100 Fifth Avenue, New York, NY 10011; 212-206-1000.

The North Haven, CT sales office of the **WWF Paper Corporation-New England** has been closed. The newly expanded and modernized East Hartford, CT branch office will handle their operation.

Moore Paper Companies of Houston, TX, has acquired the Wilson Printing Division of Wilson Business Products Systems & Services, Inc.

Mosinee buys Sorg. The Mosinee Paper Corporation announced an agreement to purchase Sorg Paper Company of Middletown, Ohio. Sorg is a producer of specialty papers.

Mooney buys Niagara. The Mooney-General Paper Company of Hillside, NJ has purchased Niagara Paper and Twine Company of Newark, NJ.

Central Paper Offers Computer Package

The Printing Paper Management Information System is an on-line, real-time, interactive system developed by the Central Paper Company of New Jersey. The software handles all necessary functions and includes the following features: resale price calculation from mill base cost, price and catalog page display and print, automatic pricing, inventory inquiring accessing multiple divisions, inventory alternatives, inventory management and forecasting, LIFO and FIFO calculations, sales analysis by customer, product or combination, and exception reports.

Anyone interested should contact Robert H. Berkowitz, President, Central Paper Company, 765 McCarter Highway, Newark, NJ 07102; 201-622-6377.

Energy Efficiency Gains At Paper Mills

According to an American Paper Institute study, the pulp, paper and paperboard industry achieved improvements in energy use during the first quarter of 1983:

- A 6.8% reduction in its use of fossil fuels and purchased energy per ton of output on an adjusted basis compared with the same quarter of 1982, and a 36.2% reduction compared with the first quarter of the base year 1972;
- Self-generated and residue sources of energy represented 52.6% of the industry's total energy consumption for the first quarter of 1983, up from 50.7% in the first quarter of 1982;
- The industry's total fossil fuel and purchased energy consumption *decreased* in the first quarter of 1983 by 17.3% over the same quarter of 1972, while paper and paperboard production in the first quarter of 1983 *increased* by 20.7% over the same quarter of 1972.

Ris Awards Scholarships

Louis Cocozza and Todd Kalagher, freshmen students at Rochester Institute of Technology's College of Graphic Arts and Photography, have been named the first recipients of scholarships established by the President's Club, a group made up of select salespeople employed by Ris. Ris is headquartered in Garden City, NY.

International Position Of The U.S. Pulp And Paper Industry

This survey, just released by the American Paper Institute, found that:

- The number of firms that rely on exports for more than 10% of total sales has risen to 21 from 13 as reported in the initial 1971 survey.
- The value of foreign assets owned by the U.S. industry has increased and significant shifts in the location of those investments have taken place during the past decade.
- The survey results underscore the industry's view that both tariff and non-tariff barriers present major obstacles to exports, particularly in Europe and Japan; for tariffs alone, more companies cited Canadian tariffs as a trade obstacle than in any other country. MN

MANAGEMENT NEWS

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MERCHANT BRIEFINGS

PRINTING PAPER

Printers continue to shave paper inventory levels. According to the National Association of Printers and Lithographers (NAPL), as printing volume picked up during the second quarter of 1983, printers generally consumed more paper than they purchased. This, reported in their *Quarterly Printing Industry Business Indicator Report*, resulted in modest inventory reductions.

NAPL analysts estimate that on June 30, the adjusted industry average was 26.5 days of paper on hand, down 5-7%. The table shows the geographic breakdown, as well as by process used and end product produced.

National Association of Purchasing Management's Report on business shows printing paper activity. The August report on July business shows that:

Coated Papers
Backlogs for No. 5 Groundwood publication papers have increased greatly in the last few weeks.

Coated free sheet publication demand is increasing too. It is mail-order catalog time again. Lightweight specialty papers are in tight supply.

NAPL Paper Inventory Data
Average Industry Levels as of June 30, 1983
(In Days)

By Geographic Zones

Pacific	21.4	North Central	30.4	North East	26.4
Western	42.4	Southeast	23.5	South Central	34.8
Central	20.5	Mid-Atlantic	28.6	Canada	20.2

By Process

Sheetfed	25.3	Non-heatset	29.6
Heatset	34.9	Web Business Forms	27.8

By End Product Produced

General/Commercial	25.8	Catalog/Directory	25.2	Business Forms	27.9
Magazine	30.6	Tag & Label	28.5	Quick Printing	18.5
Newsletter	19.9	Book	35.6	Advertising	27.5

USPS announces stable rates through 1984. The Chairman of the Postal Service's Board of Governors, Robert L. Hardesty, announced that an overall postage rate increase will probably not be necessary until October 1984 at the earliest due to a $508 million surplus for fiscal 1983. Hardesty, in making the announcement, also noted that the USPS is expecting a deficit for next year of more than $1 billion. Another major variable in 1984 is the contract with the Postal Service's unions. The unions have already set their sights on the surplus.

Uncoated Papers
Printing and communications papers sustained price increases in the second quarter. Longer lead times are becoming evident for many uncoated papers. Some new capacity is finding its way into the marketplace. There should be no shortage in the short range.

API Survey of Sales Volume by Type of Distribution, Merchant vs. Direct. The following are estimates of printing-writing paper shipments:

Year	Direct Sales % of Total	Sales Through Merchants % of Total
1978	57.8	42.2
1979	56.4	43.6
1980	56.9	43.1
1981	57.0	43.0
1982	56.2	43.8

The Definitions Of The Channels Of Distribution

Direct Sale
The order has been solicited and secured through the company's own sales department, is billed by the company and is shipped directly to that customer or a designated consignee.

Merchant Sale
Includes all sales made through all recognized merchant houses (both independent and/or owned by the producing paper company), whether shipped to the merchant or directly to the merchant's customer, but in all cases invoiced and title passed to the merchant.

Includes shipments to O.E.M. (Original Equipment Manufacturers).

Within this category are to be included all sales of job lots and seconds through recognized merchants dealing in this type of paper.

Sales to governmental agencies such as G.P.O., G.S.A., and others providing sales are secured and invoiced through a recognized merchant house.

Broker Or Commission Agent Sales
1. Where the title does not pass to the broker or commission agent, and the company bills the customer, it is to be reported as a **direct sale.**
2. If title passes to the broker, or commission agent, and he, in turn, invoices the customer, it is to be considered as a **merchant sale.** MN

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Industrial Paper

Disposable drinking cups mark diamond jubilee. There is nothing more enduring than the disposable drinking cup. It has been part of American popular culture for 75 years — going to baseball games, aboard trains, at picnics, and at the movies. Today, more than ever before, Americans are consuming more hot and cold beverages in disposable cups.

Marking the 75th Anniversary of the disposable cup is James River's Dixie/Marathon. Dixie was first to manufacture the paper cup and today estimates that 40 million people use its cups daily.

Few, in 1908, foresaw the potential of an industry growing out of the paper cup. Hugh Moore, the father of the "Dixie Cup," and his associates were struggling in New York City to establish a company that would make and sell paper cups to replace the common drinking cup that was used in public places.

Moore believed that his product would improve public health, and he called it the "Health Cup" at first, later changing it to the "Dixie Cup." But paper cups did not take-off until the Health Officer of Kansas, Dr. S.J. Crumbine, issued an order abolishing common drinking cups from all public places in the state. Dr. Crumbine was motivated by the sight of children on trains using drinking cups that had also been used by tuberculosis patients.

Hugh Moore and Dr. Crumbine did not know each other (although Moore was a native of Kansas), but Moore quickly made his acquaintance and moved to fill the need for what is still termed "a sanitary alternative to the common drinking cup." Thus, the first market for the disposable cup was created.

Other states followed Kansas in abolishing the common cup. "Health" was the key attribute in the early days of Moore's company. In 1912, the name "Individual Drinking Cup Company" was changed to "Health Kups." The new name did not catch the public eye, so Moore looked for an alternative.

The shop next door to his was the "Dixie Doll Company." Moore liked the name, and with the permission of the doll maker, the name "Dixie Cup" was born.

These 75 years later many manufacturers are making disposable cups for a variety of uses. At NPTA's Paper/Plastics and Allied Products Exposition, the Single Service Institute will have a display honoring the long history of disposable cups. In addition, other disposable cup manufacturers will be displaying their wares, including: Fonda Cup and Container, Sweetheart, Nyman Manufacturing, Solo Cup, Handi-Kup, and Lily-Tulip.

It is difficult to think of life without the disposable drinking cup. Useful, sanitary, no danger of cuts from broken glass, energy saving, time saving, and designed to be pleasing to the eye, the modern disposable cup is a welcome addition at home and away from home.

The tamper-resistant packaging movement. With the great rush to produce tamper-resistant packaging, equipment manufacturers are hard-pressed to keep up with the demand. Modification of existing procedures has done the trick in certain cases, while substitution of different glues, tapes, and stronger materials has helped in other situations.

The new vocabulary in the industry now includes "security sealed," "anti-tampering," and "tamper-evident." New glueing is the secret to the latter application.

"It is difficult to open and reseal (a carton) without causing external carton damage," states Redington Executive VP A.R. Remack. His company's new carton taping machine is designed to help packagers more effectively curtail the possibility of product tampering during storage, distribution or sale. The new equipment was designed in conjunction with 3M and uses 3M tamper-resistant tape.

The difficulty now appears to be FDA approval of tamper-evident packaging methods. Since its original list of approved tamper-evident packaging last October, new designs or adaptations have been created. Already, some of the devices launched in the last ten months have been declared unsatisfactory by the FDA. Industry observers say that there are more packaging methods on the way and that users should check with the FDA before committing to a particular packaging scheme.

National Association of Purchasing Management's Report on Business Shows Industrial Paper Activity. The August report on July business showed that:

Paperboard

Solid bleached sulphate backlogs present no problem to paperboard buyers. While backlogs have improved, they are still not enough to give buyers concern for availability. Recycled paperboards are readily available.

Kraft Papers

Demand for northern natural kraft specialty papers has increased. Price adjustments upward in the 3% range were put in place early in the third quarter. Natural kraft papers produced in southern mills can be scheduled without difficulty. MN

MANAGEMENT INFORMATION

Sales Compensation

The topic of sales compensation is one that is actively discussed in all corners of the paper distribution industry. Everyone is always interested to learn how, or why, or how much firms are paying their salesforces. An issue of equal importance is what firms get by way of productivity for the expenses they incur. However, we will limit our discussion to the expense side in this article.

The issue is an important one for several reasons. It represents the largest expense item, after the cost of goods sold. Selling is the thing that the industry does best. The name "paper merchant" best describes the group because merchandising and selling is where the industry adds its greatest value to the products it handles.

Facts and figures are always a safe way to prepare for any discussion or presentation on the subject. (Systems of sales compensation will be the topic of a Tuesday, September 27, 1½ hour workshop at the Convention conducted by Claude Kordus of Hewitt Associates.) The 1983 Performance Analysis Report (PAR), based on 1982 sales figures reported that industrial paper merchants have the highest outside selling expense. For median firms, 32% of gross profits go to cover this expense. There are small variations from this number around the industry. Industrial firms with annual sales of $3 million or less are the lowest at 29.4%. Companies on the west coast are the highest, 35.2%. There was the largest difference between the most profitable and the least profitable firms. The low profit firms were paying about 36% and the high profit firms were at 31%.

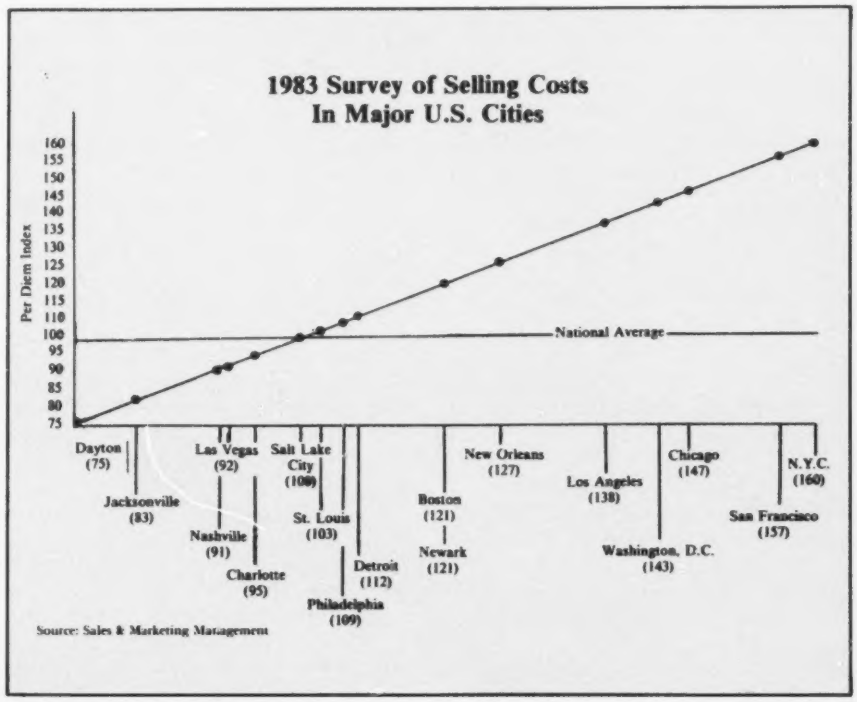
Printing paper firms have the lowest median selling expense as a percentage of gross profit, 27.5%. Smaller firms, under $8 million in annual sales, had the lowest expense as a group, 23.8%. The larger firms, $45 million or more in sales had the highest selling expense, 29.8%

Warehouse/direct order mix had a greater influence on printing paper selling expense than on industrial paper. Merchants doing over 70% direct business paid 35%, while companies doing 70% or more out of the warehouse paid 26.8% of gross profit to outside selling expenses.

The largest difference between median printing and industrial selling expenses occurred on the west coast. For industrial papers, it was the most expensive region and for printing papers, it was the least expensive, 35% vs. 23%.

Median dual paper selling expense as a percentage of gross profits was almost as low as printing papers, 27.9%. All companies, regardless of size, had similar ranges. There was not more than a 1½% spread between the largest and the smallest company. Warehouse/direct order mix didn't have an impact on the figures. The middle atlantic states had the lowest median sales expense, 18.2%, while the midwest had the highest selling expense, 35.4% of gross profit.

Another way of looking at selling expense is to determine the cost of the average sales call. The results of an annual survey conducted by *Sales & Marketing Management* magazine follows. While the items included in the calculation may not be those usually associated with a merchant sales call, the index will be valid for most situations. MN



Sales & Marketing Management magazine annually reviews the cost of outside sales calls around the country. Their per diem index is an average, which includes: daily lodging, meals (breakfast, lunch, dinner), cost of two drinks, airport to downtown taxi and per diem auto rental costs.

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Financial Planning for Paper Merchants

NPTA will be holding its annual financial management seminar, **Financial Planning and Modeling**, in Columbus, Ohio on October 20-21, 1983.

This two-day seminar is an in-depth study in business evaluation, forecasting and planning techniques.

Drs. Peter Mullins and Roger Harvey will begin with the concept of modern planning. They deal with: How to look at your company as it presently is; recognize relationships that are affected by key decisions; and then test the probable effects of critical future moves.

Utilizing a computerized model, the paper wholesaler can test the results of strategic business decision on their individual paper distribution companies through the use of an on-site computer.

The seminar will provide an actual planning session for each firm. This will result in better understanding of modern business planning, as well as raise the comfort level of utilizing computers. *You need not be experienced in model building or computer programming to participate effectively in this seminar.* Modeling and forecasting can continue after the seminar through time scheduling with Management Foresight.

To register, or for more information, contact the NPTA Education and Training Department at 516-829-3070.

Smaller Companies Offer Big Opportunities in Recruitment

Because of the relatively modest benefits offered by most small companies, there is often the suspicion that candidates for executive positions are merely settling for a job until a better offer comes along. This isn't necessarily true reports the Research Institute of America, because small businesses can offer high-potential candidates a number of advantages. For example:

A chance for top-management status. A top executive position in a small company is often more rewarding than a middle-level manager post in a large one. What's more, a job candidate will receive a greater opportunity for advancement even if a company does not specifically promise promotion to a higher level, because there is less competition for top spots in a smaller company.

Authority and responsibility. The chance to exercise power can be a major attraction of a managerial position with a small company.

Faster recognition. Good performance is highly visible and quickly rewarded in the small firm.

Informality. The absence of formal policies and procedures, the close contact with the chief executive and other employees, and personal relationships with customers and suppliers, make the small company a rewarding *human* experience that many executives find attractive.

Job security. A business operating on a small scale does not build up the excess "fat" that a larger company can accumulate — a point graphically highlighted with the extensive layoffs many large companies experienced during the recent recession.

These advantages can be important selling points during hiring interviews. But there are a few precautions to bear in mind when seeking to recruit high-quality executives:

- Be prepared to substantially revise ideas about what constitutes an adequate salary for a given position. A small firm may not be able to offer the same remuneration as its large competitors, but it should measure compensation against what a talented individual can do for a firm.
- Accept the idea of delegation. A top executive who is unwilling to give up authority or defer to decisions by lower-level managers will not be able to hold competent people for long.
- Don't place too much value on tenure. Managers should be hired on the basis of what they can do for the company in the near future, not on whether they are likely to stay for a long time. Rejecting candidates because they seem likely to move on after a year or two almost certainly will result in the hiring of mediocre talent.

Young Executives Forum

By Richard J. Greene
A.E. Macadam & Company

The Steering Committee of the Young Executives is planning a number of important events at the National Paper Trade Association's 1983 Convention. The first and most unique for the young executives is a Pre-Convention welcoming get-together Friday night, September 23rd at Sybils in the New York Hilton at 7:30 p.m. This event presents an opportunity for first-time attendees to meet the other people who are in the young executives group. Those of us who are returning will have the chance to meet old friends and make new ones, and have a few hours of relaxation.

The second event, which will take place on Sunday at 11:45 to 3:30 P.M., is a program entitled *Time Management and the Young Executive* which will be presented by Dr. Merrill E. Douglass, founder and chairman of the board of Time Management Center. Dr. Douglass' presentation will be open to anyone who wishes to participate. But you must register and purchase tickets in advance using the special events registration form included in your NPTA convention package, if you wish to attend the luncheon prior to the presentation. The YEF committee feels that time management is one of the key skills that the young executive needs to be successful in his trade. As a part of the continuing program to develop basic core management skills, the YEF Steering Committee strongly recommends participation in this seminar. We are offering the program to those "Thirty Nine'ers" who would like to attend as well.

So if you are under forty, or a first-timer, or even an old timer, please come out and attend the seminar, meet your friends old and new, and you will have a good time. And most important of all, you will take home with you some new knowledge and some new experiences that will help you be more efficient and more effective in running your business.

Paper People Retire To The...*Good Life*

By L.Q. Yowell
Former Editor/Publisher
American Paper Merchant Magazine

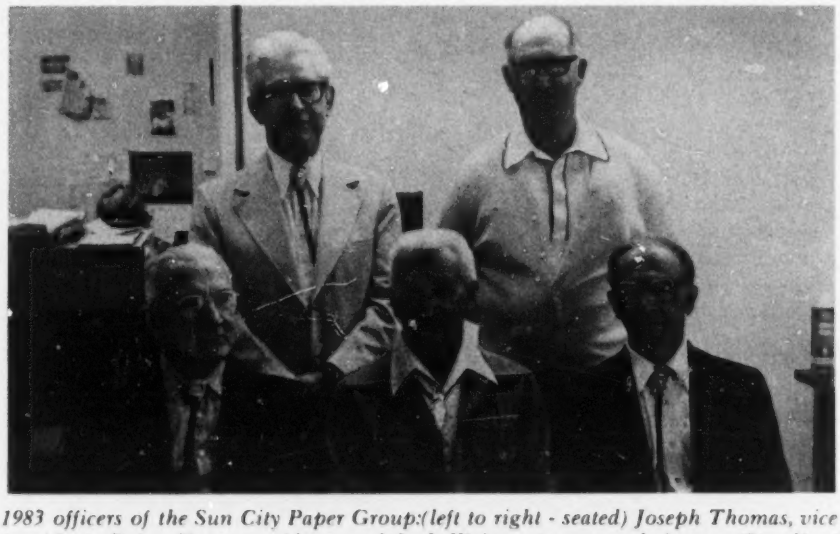
Located in the wellknown retirement community of Sun City, just northwest of Phoenix, Arizona, is a one-of-a-kind social club—an active organization of retired men and women from the paper industry—and some still active in the industry. It is known as the Sun City Paper Group.

It came into being as result of a note in a 1972 Christmas card from the late George Austin, former sales manager of Lily-Tulip and then living in New England, to me. Austin called my attention to the Sun City residence of John Nicholson, former Lily-Tulip representative in Kansas City and friend of mine, and suggested that we get together for lunch. The luncheon was held in January, 1973, at Kings' Inn with the late Wyman Clark as third member. At that time it was decided to meet monthly and to invite other former "paper people" to join us. By late spring, as a result of personal invitations and publicity in the two local newspapers attendance had grown to a level where a new meeting place had to be chosen as Kings' Inn had no private banquet room. Sir George's was selected.

The original plan was to restrict membership to men and women associated with the manufacturing, converting or wholesaling segments of the paper industry. However, because of interest shown by representatives of suppliers to mills and/or converters, inplant printing companies and newspapers, membership was opened to retirees or active members of any industry affiliated with the paper industry. Many of the Group's active members came from this source.

Informality was the keyword from the beginning. There is no charter, no dues, originally no officers, with media publicity and word of mouth promoting the club. Clark died shortly after the initial luncheon and Nicholson dropped out after a few years, leaving direction of the club to me.

Meeting new "paper people" and discussing the industry was sufficient at first for meetings but after a few years formal programs became a necessity. Growth of club membership required formation of a calling committee to remind members of meetings and to obtain advance luncheon reservations. Since Sir George's had no liquor license, meetings moved to the Suntowner restaurant. Monthly luncheons on the second Saturday of each month were later reduced to October-May, inclusive, because of the general exodus of Sun Citians during the summer.



1983 officers of the Sun City Paper Group:(left to right - seated) Joseph Thomas, vice president; Reiny Vogt, president; and Jack Weiner, program chairman. (Standing) Francis Gaber, calling committee chairman, and Sig Linden, treasurer.
Photo: Courtesy Sun City Independent

By the end of 1976, membership had exceeded expectations and it was felt that officers were needed. Initially these were president, treasurer and calling committee chairman, the last-mentioned selecting his own committee. I was chosen president, holding that position until 1981 when I was succeeded by John Bard, formerly of American Can/Marathon. By that time a vice president, treasurer and program chairman had been added to the state of officers and in a 1980 a board of directors was appointed by the president, said board including elected officers plus appointees. Current officers, elected for 1983, and their former companies, are: Reiny Vogt, NCR Appleton Papers, president; Joe Thomas, S.D. Warren, vice president; Sig Linden, LaSalle Messinger Paper Co., treasurer, Francis Gaber, calling committee chairman, and Jack Weiner, Institute of Paper Chemistry, program chairman.

Variety has keynoted Sun City Paper Group programs. In addition to representatives of the industry, speakers have included: U.S. Congressman Bob Stump, State Senator Anne Lindeman, State Reps. Jim Ratliff, Patricia Wright, Bob Denny and Pete Dunn, Arizona Attorney General Bob Corbin, television personalities, officials from Luke Air Force Base. Other speakers came from the Arizona Water Board, Southwest Salt Co., Arizona Public Service, Continental Oil. Since 1978 the March meeting has been devoted to the Milwaukee Brewers, in spring training in Sun City. Representing this club have been Sal Bando, Mike Caldwell, Paul Molitor, Moose Haas and public relations director "Ski" Skibosh. Trips have been sponsored to Luke Air Force Base, Palo Verde Nuclear Generating Station and Southwest Forest Mill at Snowflake. Starting in the late 70s a dinner meeting for the ladies has been held in the fall.

As of Jan. 1, 1983, club members numbered 73 residents of Sun City, Sun City West, Peoria and Scottsdale. However, since 1973 approximately 100 "paper people" have been club members, the roster changing because of death, moving from the area or lack of interest. Attendance at meetings is usually in the 40s with 75 being the high water mark when television personality Jerry Foster was the speaker.

Credit for much of the success of the Sun City Paper Group must be given to the ladies. All meetings are open to wives (and many members have been from the distaff side) and their attendance and support for various activities have been superlative.

"Paper people" moving to the Phoenix area are invited to join the club. Visitors are always welcome; odds are strong you will find someone there you knew in business. MN

Chairman's Corner

WALTER MOORE
NPTA's Chairman of the Board

First Chairman's Swan Song

The song begins "If I were a rich man" and should continue, "I wouldn't have been in the wholesale paper business during deflationary times." If I were an advisor to paper merchants, I would be singing of future trends ranging from the growth of buying groups to universal product codes to the need for personal computers for salesmen, to the challenge of telemarketing, to the rhetorical question, "Are private labels good for the industry?" If I were a politician and running for reelection to the Chairman's office, (the bylaws wisely prevent this), I would tell you specifically the multitude of wonderful things that my administration has done for you, ranging from neckties to establishing a research foundation. Instead, I will simply state that I attempted to leave my mark.

NPTA, I sincerely believe, is the only practical legal forum we have to improve the competitiveness of our trade. Please help make it the best. From my experience going through the Executive Committee, there are changes that have been made and there are more needed. At my parting, I would ask each of you to be more vocal in letting the NPTA board members know your feelings on all matters of importance. I thank so many of you for your support and help. I deeply appreciate the honor afforded me. For you, my loyal readers, remember the basics of being a paper merchant and stay with what you do best. MN

Calendar Of Events

September

11-14. Canadian Paper Trade Association Annual Convention. Chateau Frontenac Hotel, Quebec City, Quebec, Canada.

11-14. Graph Expo sponsored by PIA and NAPL. McCormick Place, Chicago, IL.

11-15. INDA—Association of the Non Woven Fabrics Industry General Membership Meeting and Technical Symposium, Hilton Hotel, Baltimore, MD.

13. Empire State Paper Association/Allied Paper Salesmen's Association Clambake, Hinerwadel's Grove, North Syracuse, NY.

13. Paper Trade Association of Philadelphia Golf Outing at the Whitemarsh Country Club. Contact PTAP.

24-27. National Paper Trade Association Annual Convention and Exposition. New York Hilton and Sheraton Centre Hotels, New York, NY. Contact NPTA.

October

20-21. Hands on experience in business evaluation, forecasting, and planning. Financial Planning and Modeling. Sheraton Columbus, OH. Contact NPTA.

NPTA Conferences:

Trends In Paper Distribution Computerization

November 15-16, 1983, Houston, TX. Computerization of paper merchant operations is becoming a critical issue. Hardware selection, ways to improve efficiency, computer management, and trends will all be presented. The Conference will include an exhibit of hardware, software, audio visual presentations, case studies and open discussions.

Paper Merchant Human Resource Development

December 7-8, 1983, Atlanta GA. The effective utilization of all company employees is a major challenge of the 80s. The Conference will focus on: How to carry sales training into the job, the evaluation of training programs, effective management development, reducing turnover problems, effective selection.

NPTA—A Leader in Paper Wholesale Distribution Training

Reports from paper merchants across the country indicate that the economic upturn may be upon us. All signs are now "go" for a boom that will also be seen in educational development.

The NPTA Education and Training Department has responded to these changes — changes that are in keeping with the needs of its members, that of developing the potential of all workers within a merchant's firm. The department sees its goal as one of helping members move toward greater achievement by increasing productivity and profits. One means to achieving this objective is through training. NPTA-sponsored seminars, workshops and conferences, sales training, and valuable resources for in-house training serve as fundamental keys to upgrading professional standards.

New Technology, New Methods

Changes in technology, in economic conditions, in job and career aspirations, all contribute to the constant new demand for employee training and development. More and more, paper distributors have come to realize that the task of filling this never-ending need for new job knowledge and skills has become a significantly important aspect of their overall planning objectives and goals. These points reflect the views of Ed Mazer, President, Standard Paper & Merchandise Company, Inc., "because of changes in the economics of the distribution business and alternative methods of selling and distributing paper goods during this decade, we're forced to learn new tricks in order to compete effectively. Two of the most outstanding opportunities of finding better ways to run out business are: one, using the computer to creatively enhance our ability to market our products and manage our assets; and two, is finding innovative methods of controlling sales costs such as telemarketing."

Research Shows Training Role

In a 1982 study of the wholesale distribution business, the Distribution Research and Education Foundation (DREF) — the long range research arm of the National Association of Wholesaler-Distributors (NAW) reported on the growing role of training. The Foundation reported that for executive and management training, planning and control, human resource management, communication, information management, as well as marketing, trade associations are a good source of training assistance. DREF goes on to state, "while indications are that wholesaler-distributors will primarily train a number of types of personnel in-house, internal training programs will not be adequate. The help required from trade associations will be significant." NPTA's Education and Training Department has taken a leading role in the industry by offering members programs and material resources that cover this wide range of areas.

Philip Morris, Vice President of Human Resources of Mead Merchants, has responded with enthusiasm to human resource development by noting, "the sole competitive advantage of a distributorship is the knowledge, skills and attitudes of its people. The investment in, development and appreciation of, our human organization is our most important objective."

Milt Cotter of Profiles International, an NPTA personnel consultant, has stated "human resources are the greatest unrecognized and untapped asset in paper distributorships. NPTA together with Profiles International takes pride in recognizing these important people-assets and works with paper merchants in their development to achieve higher levels of effectiveness, productivity, sales and profits."

Personnel Selection and Evaluation

NPTA, in conjunction with Profiles International, has inaugurated a three-fold Selection and Evaluation Program. The focus of this human resource program is to enable a paper merchant firm to:

- Gain an understanding of legally established requirements associated with the entire hiring process. The *Personnel Evaluation Program* provides the guidelines for this. The Personnel Selection Manual is an authorative information book outlining legally established EEOC guidelines. A complete appendix of "do it yourself" personnel forms is also included.
- Choose the right person for the right job. The *Profiles Evaluation Program* (PEP) is an administrative assessment for this task. The *Profiles Evaluation Program* enables the distributor to effectively evaluate an individual in the hiring process, for promotions, lateral transfers and need for training. The 45 minute inhouse assessment measures intangible personality factors as emotional maturity, stamina, work habits, ability to learn and motivation. By measuring six mental aptitudes and ten personality dimensions, the PEP derives a complete normative profile of the evaluee. This profile, when compared to that of a normal pattern for the job category, provides immediate personnel decision marking difference.
- Capitalize on the fullest working and psychological potential of each

employee. *People: The Key to Increasing Your Productivity and Profits* seminar provides the means.

Sales Training

The DREF report indicates changes that will take place in methods of marketing and sales during the 1980's. The report notes, "the driving force behind these changes are geographic expansion, larger-size companies, increasing costs of maintaining field sales forces, and telemarketing." To respond to this need, NPTA has endorsed the Xerox Learning System Professional Selling Skills (PSS) and Managing Time and Territory (MTT) programs as the most effective vehicle for training sales personnel. These two programs have been utilized by two thousand paper sales people across the country.

Century Papers of Houston, Texas places the highest priority on sales training. "At Century papers, we consider it essential for our salespeople to have outstanding selling skills. To meet today's tough economy, and also to build for the future, we are investing heavily in sales training. After taking it themselves, our sales managers insist all our sales people take the Professional Selling Skills (PSSII) program endorsed by NPTA," notes Ben Scott, Director of Education and Training.

Changes in the work force and the make-up of the distributor's operation will require an upgrading of skills to accommodate this growth and change. The DREF report further notes, "inside and outside sales, inventory control, and financial control will be the areas most influenced by change. Consequently, they will require the greatest degree of skills transfer and new training. Some skills will be acquired through on-the-job experience, but external training, again, will be expected to come from trade associations."

The Role of Seminars

Responding to the role of NPTA-sponsored seminars and conferences, Michael Warren of Zellerback Paper Company in San Francisco recently noted, "I see seminars as an excellent vehicle for problem solving and instituting new methods and procedures within our organization. They have proven to be a stimulus in creating change within a company's own boundaries."

"The sole competitive advantage of a distributorship is the knowledge, skills and attributes of its people."

Brent Grover, Treasurer of National Paper & Packaging Co. in Cleveland, Ohio expresses his company's commitment to financial training through NPTA's seminars this way:

"Smaller companies such as mine do not have in-house training resources. Our managers not only direct the work of others, but actually perform many of the hands-on management tasks themselves. For us, training requires an extra degree of discipline because it is not imposed upon us by our organization. In other words, the opportunity to remove ourselves from the office and spend work time at a practical training seminar is most important. The training we receive is used by us in our daily work activities.

"For example, I had the opportunity to attend the NPTA Financial Planning workshop in Columbus last year. The Management Foresight people taught us how to use remote data terminals to perform financial planning for our companies. As a result of the training, I purchased a personal computer which is now used for financial planning and many other business applications. I have benefited also from continued contact with the Management Foresight staff."

If a paper distributorship is to meet the demands of the '80s it will need a well thought out financial plan and marketing strategy. Training can offer new ideas and methods that are essential to each CEO and his management team. The NPTA Education and Training Department is aware that successful financial planning and marketing reflects the ability to manage a great variety of activities, interpret a vast amount of information, and marshall important skills. This is why the Association is sponsoring the Financial Planning and Modeling seminar to be held October 20-21, 1983 in Columbus, Ohio.

Filling Training Needs In The '80s

While paper merchants differ with respect to specific management objectives, planning strategies and priorities, there is an obvious common need if the merchant is to grow and prosper in the competitive environment of the '80s. That common need is a cost efficient and operationally effective collection of educational resources that can be utilized in-house for training.

NPTA's Education and Training Department will be publishing a comprehensive catalog of training material of over 300 programs in business and sales management. Provided in a variety of formats, (video, slide/sound, 16mm film, LaBelle and teaching modules with 35mm work books, handouts, tapes and instructor's manuals). Each program is designed to bridge the gap between classroom instruction and the everyday work environment. MN

The Manager's Notebook

How To Cut Auto Fleet Costs

The Hertz Corporation (which by the way offers NPTA members up to 20% discounts on truck and car rentals) reports a number of ways to cut auto fleet costs:

- *Driving smaller cars. Operating cost comparison for cars driven 10,000 miles per year for five years: Subcompact, 32.2¢/mi. Compact, 44.7¢. Midsize, 49¢. Intermediate, 50.7¢. Standard, 53.3¢.*
- *Increasing mileage. Putting 15,000 miles per year on a car kept five years cuts 8¢/mi. off a subcompact's cost, 10¢/mi. off a compact.*
- *Holding cars longer. Keeping cars six years instead of three at 10,000 miles per year gives these savings: Subcompact, 4.5¢. Compact, 6.5¢. Midsize and up, about 7¢.*
- *Driving secondhand cars. Cuts cost up to 50%, depending on the car's age and mileage.*

Managing Work Efforts

"A major cause behind the decline in worker effort is that managerial practices do not take advantage of the work ethic and indeed sometimes thwart it," say pollsters Daniel Yankelovich and John Immerwahr. If so, motivation and improving the nation's ability to compete may not be as serious as many people have thought, but it's up to business managers and unions to adjust incentives so that they channel the untapped drive. People want to work hard but they see no rewards for it, the report noted, adding that "people who work up to their work ethic norms feel like fools." According to the study which Yankelovich outlined to a conference at the Wharton School in Philadelphia, 52 percent of the American workforce has a strong work ethic and 21 percent, a less strong but still committed ethic. Good words for the "me" generation too; often cited as antiwork, it's now producing many new entrepreneurs.

Wage And Salary Increases Are Still Slowing Down

According to the Research Institute of America, if you're concerned about the effect of the business pickup on the cost of purchased items pegged to the price of labor, the Bureau of Labor Statistics' latest announcement about the Employment Cost Index should be reassuring. For the first quarter of 1983, wages and salaries in private industry rose only 1.2%, as compared with 2% in the first quarter of 1982. Clerical workers had especially low first quarter wage gains; increases dropped to 1.6% from 2.7% last year.

Industries that are heavily unionized also showed substantially lower wage increases than in previous years. In durable goods manufacturing, for example, wages rose only 0.7% in the first quarter, compared with 1.7% a year ago. This reflected the new steel industry contract that cut regular pay by $1.25 an hour and eliminated a 6¢ cost-of-living allowance (COLA). COLAs were further reduced in both steel and automobile industries by a drop in the Consumer Price Index.

For the year as a whole, wages for private industry workers also increased at a slower rate (5.4%) that in the previous year (8.1%). BLS states that this is the first time since the index was started in 1976 that wage gains dropped below 6%. The low rate as spread throughout all of the ECI industry groups—including workers in durable goods manufacturing (4.5%), construction (4.2%), and retail trade (4.1%).

To be on the mailing list to receive the quarterly releases, write to the Bureau of Labor Statistics, Information Office, Washington, DC 20212.

PAPER MERCHANT SALES REPORT

July, 1983

	NPTA REGIONS	SALES PER SELLING DAY JULY 1983 "COMPARED TO" JULY 1982	SALES PER SELLING DAY JULY 1983 "COMPARED TO" JUNE 1983	SALES PER SELLING DAY 1983 YEAR-TO-DATE "COMPARED TO" 1982 YEAR-TO-DATE	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF JULY 1982	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF JULY 1983	CALENDAR DAYS' COST* OF ENDING JUNE INVENTORY 1982	CALENDAR DAYS' COST* OF ENDING JUNE INVENTORY 1983
INDUSTRIAL	1	+ 7.7%	- 8.8%	+ 5.1%	39	40	56	53
	2	- 1.7%	- 4.2%	+ 0.8%	35	34	51	61
	3	+ 5.9%	- 1.1%	+ 5.0%	34	34	61	63
	4	+11.2%	- 2.4%	+ 8.7%	34	34	56	53
	5	+ 2.7%	- 2.5%	+ 1.9%	32	32	61	59
	6	+12.1%	+ 8.7%	+ 3.9%	39	35	52	--
	7	+ 0.3%	- 4.6%	- 1.1%	36	35	54	60
	NY METRO	+ 1.8%	-12.5%	+ 9.7%	39	42	50	--
	CHICAGO METRO	+23.3%	+ 5.2%	+ 4.9%	35	37	57	65
	LA METRO	+11.6%	+ 6.3%	+ 3.1%	41	47	58	--
	US	+ 7.2%	- 0.7%	+ 4.2%	36	36	55	58
PRINTING	1	+18.6%	-11.7%	+13.5%	53	50	60	55
	2	+16.3%	- 2.8%	+ 6.7%	45	44	73	62
	3	+17.5%	+ 1.7%	+ 9.6%	43	43	83	84
	4	+ 3.7%	+ 1.7%	+ 5.9%	42	43	74	73
	5	+12.8%	- 0.3%	+ 8.6%	41	42	81	--
	6	+ 8.6%	+ 8.2%	+ 2.2%	40	41	65	--
	7	- 0.7%	+ 1.8%	- 0.6%	39	44	73	79
	NY METRO	+23.6%	+ 1.8%	+ 6.1%	41	42	69	--
	CHICAGO METRO	+ 7.5%	- 7.5%	+ 7.2%	42	44	58	66
	LA METRO	+20.0%	+11.8%	+12.5%	42	42	74	67
	US	+13.1%	+ 0.8%	+ 7.1%	43	43	73	72

*TO CALCULATE MONTHLY INVENTORY TURNOVER, DIVIDE 365 CALENDAR DAYS BY # OF CALENDAR DAYS COST, EG, 365/73 = 5.00x.

Region 1 CT, ME, MA, NH, RI & VT
Region 2 DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3 AL, FL, GA, NC, SC; TN & VA
Region 4 IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5 CO, IA, KS, MN, MT, NE, ND SD, WY
Region 6 AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7 AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co.
NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos.
IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego
Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

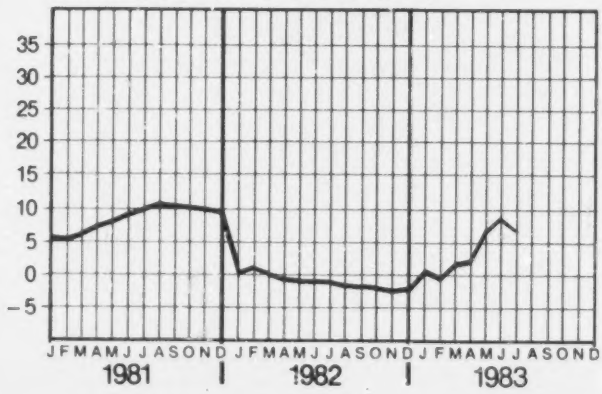
The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

BEST AVAILABLE COPY

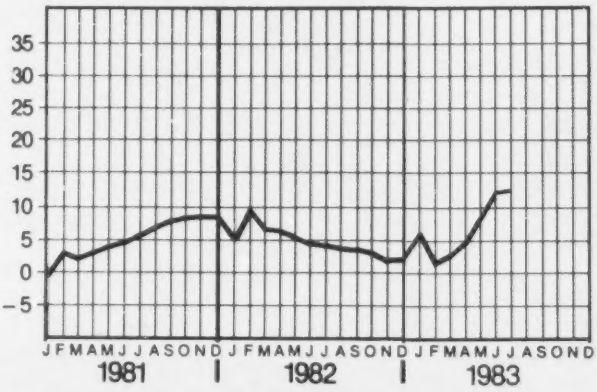
Paper Merchant Sales Report
Summary National Trend Information: 1981 to present

SALES INFORMATION: YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY.

INDUSTRIAL PAPER SALES NATIONALLY

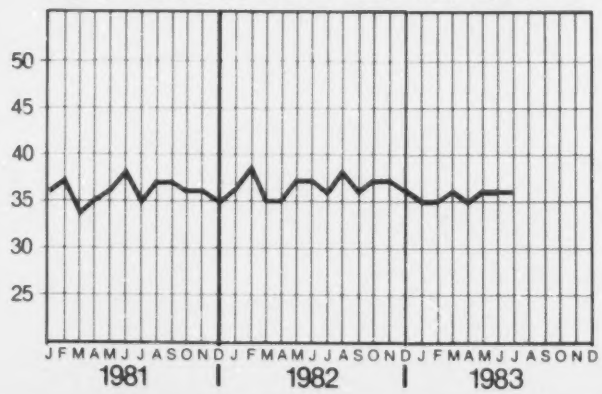


PRINTING PAPER SALES NATIONALLY

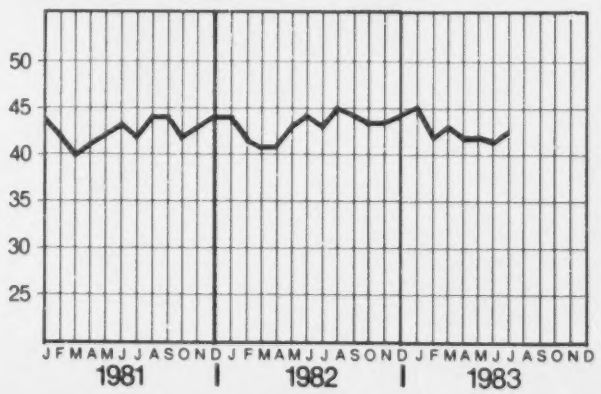


RECEIVABLES INFORMATION: DAYS OUTSTANDING FOR ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY

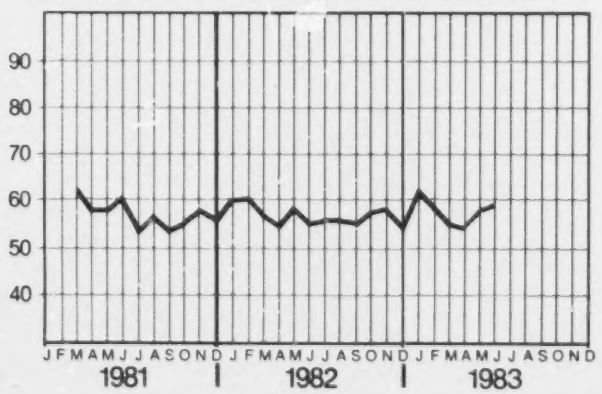


PRINTING PAPER RECEIVABLES NATIONALLY

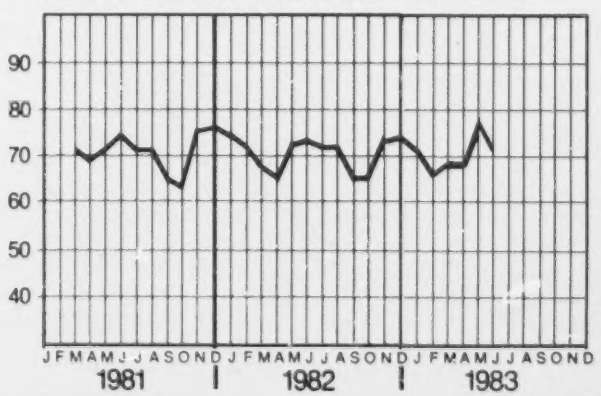


INVENTORY INFORMATION: CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



WASHINGTON WATCH

"Fair Use" Photocopying

A lawsuit brought last year against New York University sought to stop what was considered to be illegal photocopying of books by students and teachers. The issue did not concern occasional photocopying in the school's library, but the compiling and sale of photocopied "anthologies" of material.

The suit, brought by eight book publishers and a non-profit journal, has been settled. The decision said that any photocopying done for the classroom must be "fair use," meaning limited use and not for sale. The NYU practice was in violation of the Copyright Act and as part of the settlement, the university agreed to stop its faculty from authorizing this type of photocopying.

LIFO Survey

What is the cost of adopting and complying with the LIFO method of inventory valuation? The National Paper Trade Association, The National Association of Wholesaler-Distributors and the Federal Trade Commission would like to know.

A survey has been sent to all member firms on behalf of NAW. NPTA participation in this study will provide necessary information on the cost of the LIFO system. The survey is testing the premise that there are economies of scale in complying with LIFO regulations. It appears that small companies face disproportionately greater compliance costs than other firms doing the same sort of business.

The results of this survey, it is hoped, will lend considerable weight to the NPTA/NAW legislative efforts to simplify and reform the overly complex and burdensome LIFO method of inventory valuation. Previous economic data has been lacking.

The Federal Trade Commission's objective is to identify regulations that may inequitably impede the competitive viability of the smaller firms. This survey should provide the necessary documentation.

In that the survey is anonymous, please fill it out promptly and send it to NAW. Survey results will be reported later in the year.

Closing Federal Printing Plants

OMB/GPO study recommends the closing of 98 federal printing plants. The first phase of the review of federal printing plants by the Office of Management and Budget (OMB) and the Government Printing Office (GPO) has identified 98 federal printing plants which should be closed as soon as possible. The estimated cost savings from closing these plants is $15 million. The estimated additional contracts for private industry would equal $15 million. GPO and OMB estimate the cost of in-house production by the federal government is double the cost of procurement. Consequently, if "real costs" were assigned to the work done by the 98 federal plants, that cost would be roughly $20 million.

Important Issues

CORPORATE SURTAX — The National Association of Wholesaler-Distributors (NAW), in testimony before the Ways and Means Committee, strongly opposed enactment of a corporate surtax either outright or as contingency tax. Also, as a member of the Coalition to Reduce High Effective Tax Rates, NAW's opposition to a corporate surtax was reiterated to the Ways and Means Committee at those hearings. Political pressure must continue to be applied on this one, but there are signs that these efforts are having some effect.

ESTATE TAX (S. Res. 126; H. Res. 216) — NAW restated to the Ways and Means Committee at their July hearings its opposition to freezing the 1981 estate tax reductions which were initially presented at hearings held by the Senate Finance Committee in June. Wholesaler-distributor grassroots extremely helpful on this issue. Cosponsors to both resolutions have picked up. As with the surtax, political pressure still must be maintained on this issue particularly in the House.

INVENTORY TAXATION (S. 1570; H.R. 3464) — Finally, both major inventory bills have been introduced. Key cosponsors from both parties secured, but more needed. Wholesaler-distributors should write Senators and Representatives to cosponsor and get hearings held this fall. Grassroot pressure is extremely important on this.

SALES REPRESENTATIVE PROTECTION ACT (No bill yet) — Hearings held August 2 House Commerce Subcommittee. NAW presented testimony in strong opposition. Another key bill that needs grassroots pressure to prevent further movement. Stay tuned.

MULTIEMPLOYER PENSION REFORM (No bill yet) — Senator Nickles (R-OK) and others continue to review coalition bill. Also, still no movement by Teamster/ATA on their "single industry" amendment. Everything appears on hold awaiting Senator Nickles action on the NAW supported coalition bill.

Court Rules That Associations Have Right To Protect Members As Sources

Just as journalists have the right to protect their sources, so do associations when they are conducting confidential surveys of members. Journalists do not have to reveal facts about their sources, and trade associations do not have to turnover facts about members who are under investigation.

In a recent decision, a Michigan court affirmed that associations are considered journalists and that confidential information collected in the course of producing their publications is protected from the public.

When Fotomat Corporation, a member of the Photo Marketing Association International, Jackson, Michigan, was sued in a California court for antitrust violations, the plaintiffs in the case sought access to PMAI's confidential records concerning Fotomat's processing costs. When PMAI refused them access to the records, the plaintiffs filed a separate suit against the association in a Michigan court.

PMAI built its defense on two premises: First, the information could not be released without violating antitrust laws. Second, the association was acting as a journalist and releasing the information would make it difficult to gather confidential information from members again.

The court agreed saying, "The respondent...occupies a unique position of trust that enables it to gather this confidential information which when compiled and processed by the respondent, is of general interest to the industry. To impair that position of trust would be to jeopardize the respondent's ability to gather complete data...(and) would severely inhibit the publication of industry news...and flow of information to the interested public."

Position Wanted

Highly experienced paper distributor seeks position as general manager or branch manager. Presently located in upstate New York, he holds an MBA. He has policy making experience and was responsible for the computerization of a manual system.

For a complete resume, write to the editor.

Hertz Program Better Than Ever

Effective August 1, 1983, the Hertz rental discount for NPTA members is 20% on standard unlimited mileage rates for cars and 13% on truck rentals. This is the largest group discount available to anyone. Check with Hertz for the discount on car and trucking leasing.

The 1983 Chairman's Luncheon

On Tuesday, September 27, the 1983 Convention will climax with the Chairman's Luncheon in honor of Stanley O. Styles — NPTA Senior Consultant and long time industry supporter.

Stan's dedication to the paper trade over the past 70 years makes this event a joyful celebration. The featured speaker for the day is Dr. Norman Vincent Peale whose inspirational message will be fitting to this occasion.

The proceeds from this special luncheon will help launch the newly created Paper And Plastics Education Research (PAPER) foundation. This new organization will conduct in-depth research into the distribution of paper and allied products.

NPTA
MANAGEMENT NEWS
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NPTA
MANAGEMENT NEWS

October **Highlights** 1983

Printing Industry Sales Compensation

Printing Industries of America (PIA) has just reported on Sales Compensation. The average sales per representative was $802,400, average compensation was $44.00. More details by type of plan. (P. 2)

Offset Printing Of Money?

In the future, dollar bills may be printed by the offset method. It may save money, but how will it look? (P. 4)

Sell Paper To Cruise Ship Lines

Cruise ships have in-plant print shops that rival many large companies. They print an incredible amount of material each day. (P. 4)

Industrial Paper Merchant Product Mix

Data collected and analysis published from the Performance Analysis Report shows product mix of eleven commodity classes. (P. 5)

Merchant Advertising Practices

Noted graphic arts and printing consultant Charles V. Morris presents an original piece written for *Management News*. After considerable research and many years of experience, his article looks at current practices as well as providing a historical perspective. (P. 6)

New Officers Elected

At its Annual Convention, the NPTA has elected a new slate of officers and directors. (P. 11)

Using Visuals In Training

David Brizius of Copco Papers shows how good visual aids can make a big difference in training. (P. 12)

Manufacturer-Wholesaler Relationships

The FTC and Department of Justice are again concerned about manufacturer-wholesaler dealings. NAW reports on activities in Washington. (P. 15)

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Route To:

News of Paper Trade Activities

People In The News

Nationwide Papers appointed **Lawrence F. LeFebvre** as Manager of the Milwaukee, WI territory, and **Jerry M. York** has been named Manager of the Memphis, TN operation.

D.F. Munroe Company of Wilmington, MA appointed **Samson J. Sivovlos** as manager of their new office to open in the state of Maine.

Ris Paper Company of Garden City, NY named **Thomas Walden, III** as Executive Vice President of the company.

Ronald E. Mechling has been appointed Marketing Manager for the Dillard Paper Company, Greensboro, NC.

Hammermill Paper Company announced the election of **W. Craig McClelland** to their Board of Directors. He was named Executive Vice President last May.

David W. Reynolds has been appointed Vice President of Human Resources Georgia-Pacific.

The James River Corporation named **Terry L. Brubaker** as Group Vice President of their newly formed Groveton Group.

Fonda Cup and Container Group promoted **David F. Sullivan** to the position of Vice President-Materials Management.

Henry F. Frigon has been named to succeed Charles I. McCarty as President of Batus, Inc. McCarty will continue as Chairman of the Board and CEO. Firgon assumes responsibilities for the tobacco and paper divisions and remains Chief Financial Officer of the Corporation.

In Memoriam

The paper industry mourns the loss of **Theodore G. Pell** who was retired in 1969 from the Oxford Paper Company. He and his wife spent their last ten years on a ranch in Arizona. He was 78. Also, **Gilbert Garnett**, one of the three founding partners of Mid-West Paper Ltd. of Winnipeg and founder of Coast Paper Ltd. of Vancouver, Canada, passed away on August 3, 1983. He was a past president of the Canadian Paper Trade Association.

NY Merchants Group Elects Officers

Bernard Bloom, President of JB Papers has been elected President of the Paper Merchants Association of New York. Stephen I. Rudin Milton Paper Company was elected Vice President, and Kent Carson of Ris Paper was elected Treasurer.

Mead Plans Fund

The Mead Corporation said it would begin offering Corporate Cash Management Fund Inc., as a no-load, open-end investment fund through its Mead Money Management Marketing Corporation subsidiary. The company said the fund's assets would be invested in high-yield adjustable-rate preferred stocks that qualify for 85 percent dividend-received tax deductions. The maximum tax rate on dividends received would be 6.9 percent, Mead said.

Pentair To Acquire Port Huron

Pentair, Inc. and Port Huron Paper Company announced the signing of a definitive agreement for Pentair to acquire all the outstanding shares of Port Huron. Port Huron directors are recommending acceptance of the offer.

Port Huron is a leading producer of lightweight specialty papers and office products with 1982 sales of $108 million.

Pentair, Inc. had 1982 sales of $271 million and operates three paper manufacturing subsidiaries, a portable electric tool subsidiary and a meat by-products business. Port Huron will operate as a subsidiary of Pentair.

Weyerhauser Wins ISSA Award

ISSA's third annual "Cleaner World Award" will be presented to the Weyerhaeuser Company of Tacoma, WA on Thursday, October 20 during ISSA's 60th Anniversary Educational Conference and Merchandise at Chicago's McCormick Place.

The Award is given to honor "publicly involved individuals and organizations that believe in the key role played by sound environmental sanitation and maintenance policies in enhancing our everyday quality of life, and has put that belief into action."

PIA Reports On Sales Compensation

Printing Industries of America (PIA) has just released the results of their Sales Compensation Survey.

The average sales per sales representative in the printing industry amounted to $802,400. The average dollars of compensation for that sales representative was $44,000. This created a compensation-to-sales ratio by 5.5%.

In the previous survey of 1980, the average sales per sales representative was $715,000, with the average compensation of $33,200, and a cost of compensation-to-sales was at 4.6%.

The survey for **Sales Compensation in the Printing Industries 1983** also evaluated the amount of expenses paid to sales representatives. Overall a sales representative in the printing industry is reimbursed an average of $7,100 in expenses per year.

Average $ Of Sales, Compensation & Cost Of Sales In the Printing Industries 1983

Type of Plan	Average Sales	Average Compensation	Cost of Sales
Salary	$815,000	$31,800	3.9%
Salary + Commission	703,000	39,800	5.7%
Salary + Bonus	786,100	35,400	4.5%
Salary + Commission + Bonus	696,900	38,600	5.5%
Commission	867,900	53,600	6.2%
Commission + Bonus	778,100	46,800	6.2%

Scott To Sell Unit

The Scott Paper Company has agreed to sell its foam division to General Felt Industries. It will also put up for sale its Brown Jordan division and 240,000 acres of timberland in Washington state. According to Philip E. Lippincott, Chairman and CEO of Scott, the divestitures are part of a plan to streamline and increase the profitability of its core paper products divisions. The sale will net "hundreds of millions of dollars," he said.

Alco Standard Restructuring

Alco Standard, parent company of Unisource, Corp. said that its board of directors approved a plan to restructure by recapitalizing some manufacturing operations "as an independent company." This would include their commercial food-service equipment, custom parts for the aerospace industry, and such product lines as heat-treating furnaces and industrial pumps.

Ray B. Mundt, President and CEO of Alco Standard, said that the company does not anticipate any losses in connection with the restructuring. For the nine months ended June 30, Alco reported net income of $36 million.

Stone To Buy Forest Products Operation

The Stone Container Corporation, a manufacturer of corrugated boxes and paper bags, has agreed to buy a large part of the forest products division of the Continental Group for $510 million. The acquisition involves three paper mills, fifteen box plants, five paper bag plants, and long-term cutting rights on Continental land.

Roger W. Stone, Chairman and CEO of Stone Container, said the "timing of this transaction is particularly advantageous...signs clearly point to a significant cyclical upturn for our industry."

Continental wants to lessen those cyclical effects on their overall business, hence the divestiture. Part of the proceeds from the sale will be used by the company to repurchase 6 million of its $2.7 million in shares of common stock which are on the market.

Corporate Name Changes

More corporations changed their names during the first six months of 1983 than in any other half-year period in history, a New York-based marketing communications consultant reports.

538 American corporations had changed their names, according to Anspach Grossman Portugal Inc.

The company, specializing in corporate name-changes and identity programs, has been keeping records on them for 14 years. The previous six-month record, according to the company's Russell Anspach, was 455 changes in the first half of 1978. The new record is an increase of 26.9 percent from 424 new corporate names in the first half of 1982, he said.

Anspach said among the states experiencing the most corporate name changes since January were New York, California, Texas and Florida, Minnesota had the most corporate name-changes this year because of new combinations in the state's banking industry, he said.

Off To Pulp and Paperland?

There is a movement, *Down East* magazine says, as there is almost every year, to remove the slogan "Vacationland" from Maine's license plates.

Some people say the word favors the tourism industry over others; some people think it implies that life in Maine is one long vacation which they say it is not. One proposal before the legislature would substitute "Pine Tree State," an idea that has not yet met with opposition from the oak, maple or elm lobbies. Another idea is to be fair to Maine's other industries by rotating "Vacationland" with "Potatoland," "Fishland," "Blueberryland" and "Pulp and Paperland." MN

"GET UP, LEROY...YOUR DESK IS SECOND PRIZE."

NPTA

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MERCHANT BRIEFINGS

PRINTING PAPER

Offset printing of money? It may happen to a limited extent says the Bureau of Engraving and Printing in Washington, DC. They are asking Congress for permission to move away from engraving to offset printing to save $5.68 million per year.

If all bills were printed offset, the savings would be much greater, but at this point, the Bureau is recommending that only the backs of one dollar bills be printed by the offset process. There are a number of possible drawbacks, of course. Offset printing of money is much easier for counterfeiters to duplicate. Also, say some on the hill, the backs of the bills will not be as "attractive."

The Federal Reserve anticipates a need for an increase of 61 per cent in output of paper money in the next five years. The Bureau of Engraving and Printing now produces more than 4 billion notes each year. The facilities are so strained that some other printing usually done by the Bureau is being subcontracted out to private industry. Postage stamps are a good example. The Bureau now only produces some, not all, of US postage stamps.

One of the advantages of offset printing, say industry experts, is quality control. There should be much greater control over the process and less spoilage.

Opacity Testing. Howard Paper Mills has produced a new opacity tester. Although a non-scientific test, it judges opacity by placing the sheets to be compared over a graphic. The graphic is divided into numbered sections with each section in a different shade of gray. The highest number that can be read through the sheet in question is its opacity rating.

Contact Howard Paper Mills for more details at P.O. Box 982, Dayton, OH 45401.

Computers are printing labels. Computers and word processors are grinding out more ink on paper than even before. Suppliers have to be ready to give customers more products for use on the new equipment they are buying.

Fasson has developed CopyCode 1450, a computer imprintable pressure sensitive vinyl label stock. It is used primarily in retail shelf marking and inventory control applications. The stock is said to perform well in any variable information application requiring alpha-numeric or bar code imprinting.

How much paper do you sell to cruise ship lines? The article in the August issue of *In-Plant Printer* is not talking about the glossy brochures of people playing shuffleboard, swimming or eating. It is about the great quantities of printed materials generated on board ship: passenger lists, daily schedule of events, even newsletters.

Is it a big business? There are many passenger ships plying the waters in the Atlantic and Pacific taking hundreds of thousands of people to exotic sub-tropical places. The Royal Caribbean Cruise Line, for example, operates from the Port of Miami with weekly sailings. The Song of Norway (1,040 passengers), Nordic Prince (1,038), Sun Viking (738), and Song of America (1,414) plus a large crew on each need their daily supply of printed material.

The reproduction is usually handled by the purser. The days of the typewriter and the mimeo machine are gone having been replaced by an Itek 1200 Quadritek Phototypesetting System, an Itek Graphic Camera 530, and an Itek 960 Offset Duplicator on each of Royal Caribbean's on board print shops.

Better reproduction and more of it is what the cruise line was looking for. "The Print Shops are now standardized on all of the Royal Caribbean Cruise Line ships," said David Armitage, Chief Purser on the Song of Norway. "The quality image which has always been associated with Royal Caribbean is now reflected in its print communications."

Floating in-plant print shops may be looking for more paper, and maybe better quality paper for the printing of their newsletters and announcements. Maybe paper merchants should become more familiar with this type of operation. A familiarization trip may be in order.

Managing paper supplies. In response to the need for better management of the industry's paper supplies, the National Association of Printers and Lithographers has published the *Paper Manager's Handbook* written by Charles V. Morris, who has four decades of experience in paper marketing and printing problem-solving.

The Paper Manager's Handbook contains 14 sections covering subjects such as paper handling systems, standardizing on next lower basis weight, roll numbers, and paper order-writing. It includes helpful ideas for improving inventory control, preventing waste, and solving paper-related problems.

The 22 page book was published by NAPL at $50, but through special arrangement is available to NPTA members at $45. MN

Printing Paper

It Took...

50,000,000 years to go from the spoken word to the written word,

5,000 years to go from writing to printing, and

500 years to go from the first printing to sight and sound recording, and only

50 years to the first computers!

Industrial Paper

Industrial paper merchant product mix. These findings are based on the result of the 1983 Performance Analysis Report (PAR). They may represent the actual industrial product mix for the industrial paper distribution business. The statistics listed below represent a group of 65 industrial paper merchant firms with a combined annual sales volume of $540 million.

After reviewing the table below, use it as a working tool by filling in your firm's numbers in the two columns provided.

Microwaves in our future. Actually, says a New York based research firm, in everyone's future. FIND/SVP has reported that microwave oven sales are anticipated to increase 12% to 4.57 million units this year, 32% to 5.4 million by 1985, and 80% to 7.3 million units by 1990.

Microwave disposables will have to keep pace with this increasing demand.

Debut of the aluminum bottle. The marriage of can and bottle, says *Package Engineering* magazine, has arrived. Continental Can is producing a ½-liter container known as an aluminum "bottle" which is now being test marketed by Pepsi Cola in Wisconsin.

What makes this a bottle? It's resealable. There is a non-detachable, sealable polypropylene snap closure with a tamper-evident tab.

The sidewalls of the ½-liter bottle are slightly thicker than those of a standard 12-ounce can—0.0047 inches to 0.0050 inches, as opposed to the 0.0045 inches of a 12-ounce can. This has been done to insure adequate strength for the larger container.

Another benefit, in addition to its resealability, is that it can be recycled. It is now being positioned as an alternative to one-way glass. "The package will lend itself to very economical pricing, particularly when compared with non-returnable bottles," said John Rabbitt, general manager of the Pepsi Cola franchise in Eau Claire, WI. Plans also include the packaging of Mountain Dew and Pepsi Light. MN

Industrial Paper Merchant Product Mix
(Weighted Average In Percentage)

Commodity Classes	All Industrial Paper Firms	Sales Volume					Sales Paths			
		Under $3MM	$3-5.5MM	$5.5-10MM	$10MM & Over	Your Firm	Under 75% WHSE & Indirect	75%-90% WHSE & Indirect	90% & Over WHSE & Indirect	Your Firm
Sanitary Paper	18.74	35.88	22.22	22.56	17.39		14.94	24.55	25.39	
Food Service Disposables	13.13	13.41	13.64	18.57	12.31		5.13	23.06	29.54	
Janitorial Supplies & Equipment	7.86	14.11	15.56	9.22	7.03		3.99	13.71	11.43	
Health Care Disposables	4.02	1.32	3.88	6.24	3.80		1.86	6.64	5.56	
Other Industrial Packaging Supplies	7.21	4.93	5.56	-	7.78		7.53	4.04	7.71	
Tapes	11.31	12.50	16.19	-	11.27		12.14	7.35	8.46	
Shipping Boxes	12.25	4.12	2.29	-	15.00		14.60	2.98	2.11	
Protective Packaging	16.77	4.54	2.99	-	18.39		19.81	4.01	4.54	
Packaging Equipment	1.11	.48	.70	-	1.11		1.23	.46	.84	
Retail/Matched Packaging	7.15	3.32	14.02	.51	7.88		8.00	9.69	1.88	
Other	9.63	5.97	.83	3.86	11.05		12.43	1.74	8.67	

Why Do So Few Paper Merchants Advertise?

By Charles V. Morris

On occasions almost without number I have asked that question. Many other promotion-minded paper marketers must certainly have pondered the same question.

Surely, advertising is prime among the strategies of marketers in every field. Surely, advertising in its several forms is supportive of personal sales activities. Subscribers must have observed when leafing through the pages of the printing and creative trade journals - national and regional - how sparse is the space bearing the signatures and logotypes of paper merchants. How does the old adage go? - "Sparse trees provide poor shelter."

Indeed, advertisements sponsored by paper merchants represent but a minimal amount of each publication's allotted space for advertising. As an exercise in discovery examine the regional journals - in which as a matter-of-course merchants are likely to take space - journals like Frank Sisti's *Printing Journal*, West Coast; Len Berman's *Printing Views*, Mid-West; Leo Joachim's *Printing News* in New York; Frank Romano's *New England Printer & Lithographer*, and Don Durham's *Southern Printer & Lithographer*.

Examine each of them. Be amazed at the paucity of paid space utilized by paper merchants. A mere handful of merchants contract for space on a regularly scheduled basis. To count them the fingers on your two hands are more than sufficient.

Pick up a typical issue of *New England Printer and Publisher*. If you are not inclined to thumb your way through all the pages in that interesting book, turn to the listing of advertisers in the back. There, you are certain to find a few familiar names - names like Carter, Rice, Storrs & Bement, Lindenmeyr, Ris, Saxon. Occasionally, names like D.F. Munroe and Rourke-Eno.

In New York's *Printing News*, a weekly tabloid-type journal, only one merchant's advertising regularly appears. Quarter-page insertions across the top of columns one and two on page two carry Baldwin Paper Company's traditional column, "Baldwin Brevities," which continues these many years to carry the by-line, "Salesman Sam" ("Salesman Sam" being the company's founder, Samuel Himmell). Readership of this paid-space, tests have demonstrated, equals the editor's own column of personal commentary, "Pi A La Mode."

Several typical merchants from the Metropolitan New York area frequently advertise in 7 x 10"-size space. Among them are Bulkley Dunton Linde Lathrop, Lindenmeyr Paper Corporation and Ris Paper Company. In *Printing News* that amounts to one-third page. Smaller-space advertisers include Alling & Cory, J.B. Papers and Royal Paper Corporation.

To peruse recent issues of *Printing Journal*, *Printing Views* and *Southern Printer and Lithographer* is to discover paper-merchant advertisers are conspicuously absent.

Quoting one merchant, who asked that his name not be included in this review: "Right now it is a matter of conserving dollars. In better times, our house could be termed a regular advertiser."

Arthur E. Petrosemolo, newly appointed Director of Advertising at Garrett-Buchanan Company, Philadelphia, Pa., explained that in the recent past his company could not have been considered a major advertiser. But he added: "We are conducting market segmentation research and will begin an organized approach to our advertising with an eye toward commercial printers, designers and specifiers and in-plant shops."

Respondent to the survey, Peyton N. Shaner, Jr., Vice President for Marketing Printing Papers for Henley Paper Company, Greensboro, North Carolina, indicated trade journals were not included in their advertising program. Henley does, though take space in regional periodicals industrial purchasing executives read. Publications like *North Carolina* and *Southern Purchaser*.

Mr. Shaner said his company's marketing people "for a number of years has worked the fine paper specification market quite intensively. Currently, we are revising our overall sales promotion strategy, aiming toward the use of increased telephone marketing techniques and direct mail, tending toward a lower frequency of in-person calls by our salespeople. This directional change has been forced upon us by the mills' change to multiple-merchant distribution and the diffuse rural market which Henley serves."

Henley promotes its products and services by exhibiting in trade shows, "generally averaging three shows a year," Mr. Shaner said. Other merchants allocate promotion dollars for space in regional shows sponsored by trade groups and purchasing organizations. Example: Beecher Peck & Lewis and Union Paper Company of Michigan, Detroit paper merchants exhibited their products, "with excellent results," they reported, at the Kalamazoo Valley Industrial Trade Show sponsored by the Southwestern Michigan Association of Purchasing Management, Inc. New York paper merchants are regular exhibitors at the annual *Folio* shows.

Mr. Shaner told of a novel promotional venture Henley sponsors. It is called the Henley Southeastern Spectrum, a major juried art show which the company originated in 1982, based, he said on an idea "initiated by Dick Abrams of West Coast Paper Company, Seattle, Washington."

This program has been received with great appreciation by customers and prospects. This year's show exhibited entries from 375, from which 116 were selected by an esteemed artist from the "Philadelphia Museum of Art." Awards to the winning selections are in cash, also reproduction rights. Mr. Shaner further explained, "After the show has been displayed in Greensboro, it goes on tour to the communities where Henley's district warehouses are located.

Copco Papers, Inc., Columbus, Ohio, is presently distributing a paper selector, which holds, it is said, 697 different paper brands, the products of 39 manufacturers. Each sheet in the selector is perforated to permit specifiers to remove small samples with preprinted identification for application to designers' mechanicals.

Phil O'Loane - Phil O'Loane being President of West Coast Paper Company in Seattle - provided the broadcast response to the mail survey. His reply began with what could be identified as his company's advertising philosophy. Phil wrote, "Any firm which obtains a substantial part of its business from the printing and advertising industries should give serious thought to the use of advertising in its marketing plans. If a businessman believes in the value of advertising, surely it should be utilized responsibly."

Phil's letter carried on: "Some years ago, while studying this very subject, I discovered that NPTA had revealed some interesting statistics showing that members spending the most for advertising and sales promotion were among the industry's profit-leaders. That information was important to us then. It

continues important to us."

West Coast Paper identifies its main goals as advertisers: 1) to reinforce the efforts of individual salespeople; 2) to carry our good name to a broad range of customers and potential customers. The principal thrust of West Coast advertising is direct mail. Mr. O'Loane commenting on this media said, "Tests have proven this is an excellent method of reaching selected markets. Our mailings ask for specific orders, introduce specialized offers and promote the sale of particular mill brands as well as proprietary papers. Our trade journal advertisements are used almost exclusively to identify the West Coast name with our many mill-connections."

Mr. O'Loane went on to say that West Coast Paper Company was the first merchant in the area to adopt the 8½ x 11"-size for the sample books they distribute as master reference tools for their customers. "A great investment," he added. He said, too, since his company employs "specification sales persons," a separate mailing list of "specifiers" is maintained and regularly contacted by mail.

Explaining that his company participated in trade shows, but on a "strictly limited basis," he described the means of promoting what he called the Northwest Art Exhibit, showings of the artistry of the local creative community. "This exhibition has developed into one of the outstanding art shows of our area of the country. It has been featured on TV programs and has received rave reviews on radio and in the newspapers each of which calls attention to the name West Coast." (It was this sales promotional event that Henley Paper Company's art show was modeled after.)

Mr. O'Loane told of another successful promotion that has attracted considerable attention. West Coast Paper Company acquired what is described as "one of America's outstanding collections of type, containing almost 400 individual faces gathered from print shops in states North and South, East and West, including Alaska."

Presently this recreated 19th Century print shop is established in West Coast's Seattle distribution center and given the name "Pastime Printer" shop. It has, Mr. O'Loane explained, "become an educational resource for our community and has, we believe, enhanced our company's reputation as a responsible citizen."

Flip the pages of the past half dozen issues of printing trade journals. Detect a bright spot emerging from the point-of-view of this discussion. Paper marketers generally distinguished as "job lot" merchants are consistent users of space in the journals. Names that come promptly to mind are Case Paper Company, Cross Siclare-New York and Roosevelt Paper Company.

The message implicit in the headline of a recent Cross Siclare advertisement rings clear, expressing the idea *even the most prestigious gloss loses its glitter when it's three hours late*. The copy theme of the currently running advertisement for Roosevelt Paper is not unlike Cross Siclare's. Roosevelt postulates a printer's dilemma. *You've got a rush job and nobody has the paper you need*. Roosevelt goes on to suggest a remedy: *A vast inventory to choose from*.

The copy in those advertisements neatly blends into the headlines and into the attractive graphics. Working together, as all the elements do, it may safely be assumed the readers' attention was attracted. Did the readers instantly reach for the telephone to place orders? Or will the readers remember to phone when next the need arises? Those are questions all advertisers must ask unless a "hook" deliberately has been built into each advertisement.

Advertising

It should be observed that in its more recent space advertising Cross Siclare directs attention to its stock of first quality proprietary brands and other brands that are imported for the company's exclusive distribution. An occasional Cross Siclare insertion emphasizes cut-size papers converted on the premises for copying and other reprographic purposes.

Responding to our survey for Cross Siclare/New York, Inc., Staten Island, New York, Cross C. Siclare said: "We believe in advertising! Not as a substitute for good old-fashioned selling, but to support the effort of our salespeople." This merchant's advertising seeks to create the awareness of its ability to function like a "paper mill in the neighborhood" as it aims at its target of commercial printers, publication printers, book printers, and large in-plant printers.

The Cross Siclare/New York advertising messages seek to establish the company as a versatile and reliable source of supply. The key point in the copy is service. Mr. Siclare indicates that its advertising agency works in close partnership with him. "We submit our objectives. The agency suggests the basic approach." Cross Siclare advertisements also appear regularly in the graphic arts magazines which are usually considered "specifier magazines."

Irving Schaffer, President of Case Paper Company, with headquarters at Long Island City, New York and branch operations in Chicago, Charlotte and Los Angeles, wrote in reply to our survey, "Case advertising continues to reflect the basic marketing and merchandising practices introduced 40 years ago." Simply expressed: "to provide printers and publishers with quality grades they need when they need it while consistently maintaining adequate inventories to satisfy our customers' varied requirements."

Mr. Schaffer said his company's earliest advertising and sales promotion was limited to direct mail offerings of specific grades. "However, consulting with an advertising agency convinced us of the value in an advertising campaign that would run regularly in trade journals. We started with a modest activity in a Metropolitan New York printing journal. This space was subsequently supplemented by a series of distinctive corporate direct mailings and by a monthly house magazine, of humorous nature."

In recent years Mr. Schaffer added, "Case advertising has been extended to the other territories where we operate warehouses. The basic theme is varied little from what is has been through the years. We are pleased with the results."

Mr. Schaffer explained that his company employs the services of an advertising agency, but the basic "pitch" of the promotions is home-bred. "We know what we want to accomplish, and we employ whatever tools are required."

The most recent schedule of space advertisements sponsored by Lindenmeyr Paper Corporation emphasizes the company's newly styled graphics, including its attractive and distinguished new logotype and repetition of its proudly impressive slogan "Paper Merchants Since 1859." Few merchants can make a claim its equal in longevity.

The attractive simplicity of the Lindenmeyr insertions in the trade journals provides the series with instant recognition in a high degree becoming a merchant name so widely and deservedly esteemed. The copy theme "commitment to excellence" pervades the Lindenmeyr message. Not only in language but in graphics style. Several of Lindenmeyr's current series of advertisements promote the newly-edited price list for paper buyers.

The space contracted for in various trade journals by Ris Paper Company focuses in on the quality of its people together with the quality of its paper products and the pledge of unexcelled customer-service. Ris, in the signature of its advertisements, calls attention to the 15 localities in which it operates in the North and Mid-Atlantic states.

Bulkley Dunton Linde Lathrop - a

blend of three of the oldest and most estimable paper merchants - in its trade journal advertising tacks in a different direction. BDLL expresses pride in what it considers to be among its most valuable assets - representation of most of America's leading manufacturers of paper and converters of paper products.

BDLL's affiliate, Carter Rice Storrs & Bement - highly regarded among New England Paper Merchants - in recent advertisements appearing in *New England Printer & Lithographer*, has linked itself to the fascinating history of the states in the Northeast. The intention is deserved and appropriate. The graphics treatment is traditional. Appropriate because CRS&B is itself a tradition.

It is obvious, advertising agencies have created the programs thus far referred to in this discussion. An aura emanates that in each instance is professionally distinguishable.

In any review of paper merchant advertising policies and budgetary concerns, it must be acknowledged that some companies place greatest attention to the maintenance of price lists and the manufacture and upkeep of comprehensive sample books.

"These tools of our salespeople," are in the opinion of one outspoken merchant, "far more advantageous to our company than any trade journal advertisements we might create." Another merchant, one who obviously spends a considerable sum to maintain the currency of the company's price list and catalog, had this to say: "I am pleased when I learn that a printer has said, 'my estimators tell me they can't function properly without your price list close at hand.'"

Two merchants in New York, Milton Paper Company and Willmann Paper Corporation, place considerable value on the business-generating potential of the large swatchbooks they developed and painstakingly care for.

Many calendars - production-type calendars - bearing names of paper merchants hang in the production departments of most printing offices. One of the longest lasting calendar promotions in New York graphic circles belong to Andrews Nelson Whitehead and to Bulkley Dunton Linde Lathrop, Blake, Moffitt & Towne on the West Coast distributes a monthly calendar that takes the place of the blotter in the average-size desk pad. Other merchants distribute calendars in a variety of types, wall hanger and desk-top.

After returns from the mail survey were in, and as this report sprouted from barest outline to typed copy, I was overwhelmed with recollections of giants among paper merchants I had known well during earlier times. I recalled their attitude toward advertising and sales promotion as they went about fashioning their annual strategies and budgets.

Visions of some of these former associates clearly formed in mental snapshots. I saw again amicable, elegant Bertram Linde. I relived previous moments spent with that perfectionist and innovator Harry Gould. Once more I sat across the desk from that highly respected and supremely confident George Gray, and I take pleasure pleasantly recalling the idea-popping exuberance Mike Berman radiated when planning strategies for the forthcoming year.

Advertising vs. Sales Aids

Each of these successful marketers of paper insisted upon being represented in the trade journals on a regular schedule. In those days, some national journals published regional sections. Walden's *Printing Magazine* was an example. Now *American Printer* makes it possible for advertisers to acquire circulation in certain areas. The principle is almost identical. Some of the journals also published companion directories. Bert, Harry, George and Mike always wanted to be represented in those often-referred-to year books.

The most discussed of merchant-sponsored sales promotional tools of my recollection, the most lasting, the most carefully maintained, was the comprehensive paper sampler - an impressively large book containing replaceable swatches of individual brands of paper distributed by Schlosser Paper Corporation. This mammoth resource library appeared prominently in the production departments of printers and advertising agencies across the city. The big book remained an effective marketing tool because a high degree of maintenance was lavished upon it wherever it was to be found. It became, in its time, a monument to the business sagacity of Morris and Fred Schlosser. Simultaneously with distribution of the sampler, and continuing through the early years of World War Two when it was reluctantly discontinued, Schlosser Paper Corporation also published a widely-read house magazine.

About that same period, J.E. Linde Paper Company - John E. Linde, its founder, once was President of NPTA - developed an influential advertising and sales promotion program that was constructed around the publication of a most unique house publication. Each issue truly was a demonstration packet of useful production ideas for creative printers and graphic designers.

The publication fittingly was titled "Linde Lines." Viewed today, a complete collection recalls the editors' original intention to produce a useful production tool and paper selector. Page dimensions were 8½ x 11" with no fewer than 32 pages in an individual issue. Binding was mechanical, a different type was a feature of each issue.

Morris and Fred Schlosser and Bert Linde held common views of promotion and advertising. To build the quality of utility - of usability, of keepability - into their business-building efforts, they believed, was to guarantee their company's success as marketers. Notably, acceptance accorded the extraordinary Schlosser sampler and the "Linde Lines" promotions at about the same period of time accomplished the desired results.

After World War Two, Baldwin Paper Company introduced a new type of price list that set a pattern for the period. The price list - price list, not a catalog - took the form and format of the customary railroad timetable. Meaning that individual page dimensions, approximated 4 x 9", spilling out accordion fashion on both sides of the saddle stitched fold. Adding to its popularity, the Baldwin list was published on timetable schedule whether or not mills increased their prices. During the identical calendar period, Baldwin's "Paperweight Calculator" a handy-sized booklet, became a favorite tool of paper buyers.

George Gray was similarly possessed with the idea of developing programs that meaningfully propelled the Lindenmeyr name and reputation into the forefront of paper consumers. (By this time, Henry Lindenmeyr & Sons was operating as a division of Hubbs Corporation). George was first to produce a price list and catalog, "bible" in stature and in reliability, and to develop a method of maintaining the timeliness of the list. The "book" became the talk of the industry because George saw to it that it was adequately promoted.

Almost simultaneously, George produced a series of 12 small books which were called "The Lindenmeyr Library of Print Shop Helps." Titles ranged from "How To Buy Paper Properly" to "A Picture Is More Than An Image."

Throughout his long and successful career in paper marketing Harry Gould made a good thing of dispensing lastingly usable working tools and

reference material to customers of Reinhold-Gould Paper Company. Some of these resource works continue in use. Credit Mike Berman with corresponding interests. One of Saxon's most acclaimed giveaways was a handy reference guide - in dimensions, proportioned to fit into a number 10 commercial envelope. It was titled, "Answers To Every Printer's Questions About Paper." More recently, 15,000 copies of the handbook "146 Practical Ideas For Managing Your Paper Supplies" were distributed in response to an offer in trade journal advertisements. Also in response to an offer in the same magazines serving the identical marketing areas, more than 10,000 pads of "goof-proof" order-writing forms were mailed to readers. Blake, Moffitt & Towne recently published books illustrating graphics techniques that were in strong demand among West Coast graphic designers.

The material described here isn't likely to find safe haven in the so-called "round file." The bait, the offer, advertising practice because it is attractive to readers and provides leads for salespeople.

Space in *Management News* - and the dearth of quotable replies to the mailed request for information - restrains the commentary in this discussion of paper merchant advertising policies and practices.

Perceptibly, the practice itself is considerably constrained. Advertising, in the average merchant's marketing of advertising as an effective marketing force, will receive its proper acknowledgement as the state of the economy turns for the better. MN

Chairman's Corner

LIONEL ELTIS
NPTA's Chairman of the Board

We Keep Going Forward

Another year has passed and it is time for the changing of the guard. I have spent my entire business life as a paper merchant and I know of no greater honor than having been elected to serve as Chairman of the Board of NPTA for this coming year. It gives me an opportunity to give back to the industry whatever service I can render for all the opportunities and benefits I have derived.

Walter Moore, our immediate past Chairman, has been a most dynamic leader and it is going to be a real challenge to give the type of leadership we have had this past year. I like the word "challenge" and I like the word "competition" because without this we would not need to excel.

We, as paper merchants, need to excel in the conduct of our business if we are going to meet the challenges of today and tomorrow, and remain as the dominant factor in the distribution of paper and allied products to the end user. Unless we meet these challenges, gear our operations to the new techniques of distribution, manage our assets wisely, and train our salespeople to sell the benefits of our products and teach them how to ask for orders, we are going to find our suppliers looking for other types of distributors to take their products to the marketplace.

The NPTA is a means of helping us retain and maintain our position in the marketplace and I am looking forward to a year of working with our officers, our Board of Directors and our members in developing a stronger bond between our Association and its membership so we can help each other be the major factor in the distribution of the products we sell. I hope to be able to participate in some of the regional meetings this year and to be able to meet with many of you personally. I welcome your suggestions, recommendations and criticisms for the Association. I thank all of you for allowing me to serve as Chairman of the Board of NPTA this coming year.

Calendar Of Events

October

8-11. Envelope Manufacturers Association, annual meeting, Fairmount Hotel, San Francisco, CA.

19-22. International Sanitary Supply Association (ISSA), 60th annual educational conference and merchandise exhibition, McCormick Place Convention Center, Chicago, IL.

20-23. Gutenberg International Festival, Convention Center, Washington, DC.

November

3-6. Print Pacific '83, Annual Graphic Arts Exposition, San-Mateo Expo., San-Mateo, California.

13-20. New York Paper Merchants Association, winter meeting and seminar, Jack Tar Village, Puerta Plata, Domincan Republic.

NPTA Conferences:

Trends In Paper Distribution Computerization

November 15-17, 1983, Houston, TX. Computerization of paper merchant operations is becoming a critical issue. Hardware selection, ways to improve efficiency, computer management, and trends will all be presented. The Conference will include an exhibit of hardware, software, audio visual presentations, case studies and open discussions.

Using Good Visuals Adds Life To Training

By David B. Brizius,
Corporate Director of Advertising and Sales Promotion,
Copco Papers, Columbus OH.

A good sales trainer, and indeed anyone who trains, needs to know much more than just the subject being taught. It seems quite obvious that to be successful, a good trainer must be an excellent sales person, a motivator, and a showman. These training qualities and attitudes are implemented by the use of good visual aids. In fact, the proper use of visual aids to a class of sales trainees can be extremely helpful to them when they, as sales people, use visuals in presentations to their customers.

It is a well known fact that people tend to forget much of what they hear within a given period. Percentages of loss in different periods of time are suggested in texts from such sources as sales manuals, sales courses, and educators. In one of the audio taped sales training programs available through the NPTA, I believe it is said that a person forgets half of what he hears in the first fifteen minutes. Whatever that figure is, it's important that trainers use visuals that will enable the students or trainees to retain the essential material much longer. Through my association with the National Speakers Association, I have learned that the more visuals used during a presentation or seminar, the better the presentation will be received and retained.

Generally speaking, the paper merchant trainer has other responsibilities, and it is very difficult and extremely time consuming to properly train people one-on-one. For this reason, we must use many training programs using audio tapes, books, and video tapes to enable the trainee to learn without the constant supervision of the trainer. However, regardless of the results from these so called self-help training programs, I believe that nothing can beat an enthusiastic, motivational, personal training program.

For my meetings, lectures, speeches, etc. I prefer a good quality overhead projector. Here I can talk with the lights on. This enables the trainees to take notes and see the lecturer plainly. This also enables the speaker to keep eye contact with his group, enabling him to observe the attitude and comprehension of the students. The more colorful the transparencies, the more impact the presentation will have. Having your transparencies colorfully illustrated and printed by an outside source gives more credibility to the speaker because they look more professional. If you leave the projector on while you talk, you will find people will be looking at the screen instead of paying attention to you, so turn the projector off.

Now when you want to make a special point, you turn the light back on. Four of the most common mistakes made when using an overhead projector are:

1) putting too much information on a slide
2) using typewriter type which is too small for people to see (the 3M Company recommends a minimum of ¼" high letters for a group of 30 or more
3) turning off the room lights as mentioned above
4) using a pointed to touch the **screen** when it would be much more effective to touch the **transparancy**.

Anything that you put on the transparency will show on the screen as a dark mark. A good example would be to take a sharpened pencil and place it on the transparency with the sharpened point touching the item you want to emphasize. Now it appears that you have an arrow touching what you want to point out.

Other AV Support

Again, by changing the types of visuals you will receive more interest from your group. So by all means use video tape, Fairchild's, 35mm slides (both manual and automatic), Single slide audio automatic presentation, and of course your personal easel or chalk talks.

Whenever you're using things like video or other automatic visuals, you can easily give a simple test at the end. If your student doesn't answer all the questions correctly, he or she can replay the tapes or what-have-you until they get all the answers right.

When I talk about how paper is made, I actually make paper by hand in our class and have every student do the same. Many mills offer kits on how to make paper by hand, or you can make the kit yourself.

In my opinion, interesting visuals can be as simple as putting a large sheet of paper in the hand of each trainee, and together exploring as many different ways of determining grain directions as possible. (Whatever way the customer uses to tell grain direction, I suggest that the salesman also show a different way.)

Be Creative

If possible, you should use your own God-given talents in working out your personal type of visuals. Since I am a magician, all my talks, lectures, and presentations are built around "Magic with a Message." By carefully choosing and adapting a particular trick, it has much more than entertainment value. The magic trick becomes the actual visual, so it entertains while it educates, and I find that this method enables the people to retain the meaningful points much longer.

However, I believe that as you should not let a swatchbook or printed sample be a substitute for good selling techniques, you should not let your visuals become a substitute for your professional training abilities. Just as we ask our trainees to develop a professional attitude, we, as trainers, should do the same. MN

NPTA ELECTS NEW SLATE OF OFFICERS

The National Paper Trade Association held its annual meeting in New York on September 26, 1983 and elected a slate of officers and directors. Their term of office began immediately upon election and will run until the next NPTA Convention planned for Chicago in September, 1984.

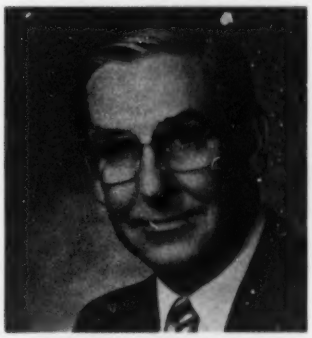
Lionel W. Eltis Elected Chairman

Elected to the position of Chairman of the Board of the NPTA was Lionel W. Eltis, Board Chairman of Consolidated Marketing (CMI) of Shreveport, LA. Mr. Eltis, prior to his election as Chairman of NPTA, served two years as Vice Chairman and one year as Treasurer of the Association.

Mr. Eltis joined CMI at the age of 17 as a truck driver and has spent his entire career at the company. He is a past-president of the Southwest Paper Merchants Association, has served on the Board of Directors of the NPTA and Chairman of the Association's Education and Training Committee. Mr. Eltis has also served on a number of Supplier Merchant Advisory Committees.

Vice Chairmen Elected

Re-elected as Vice Chairman of the Industrial Paper Division was Frank J. Viegas, President of the Dowd Company of Woburn, MA. He served NPTA this past year as Vice Chairman and prior to that as Treasurer of the Association. Mr. Viegas also serves the industry as Chairman of the Scott Paper Company Merchant Advisory Committee. He is Past-President of the New



England Paper Trade Association and is a Director of the Boston Paper Trade Association.

Elected to the position of Vice Chairman of the Printing Paper Division of NPTA was Richard W. Abrams. He is Chief Executive Officer of the West Coast Paper Company of Seattle, WA. Mr. Abrams has served NPTA as a Director, Chairman of the Long Range Planning Committee, and as Treasurer of the Association.

Mr. Abrams holds a PhD from the Institute of Paper Chemistry, and has a degree in chemical engineering.

Treasurer Elected

Elected to the position of Treasurer of NPTA was Francis J. Houlihan, President of the Fleetwood Paper Company, Franklin Park, IL. He has been with Fleetwood since 1956, beginning his career there as a salesman.

Mr. Houlihan has served the NPTA as a member of the Board of Directors, and is a past president of the Midwest Paper Trade Association.

Past Chairman Will Be Active

Walter L. Moore has now become Past Chairman of the Association and takes the position of Chairman of the Advisory Council. This group is made up of all past presidents of the Association and Mr. Moore will hold a seat on the NPTA Executive Committee.

Mr. Moore, President and CEO of Unijax, inc., of Jacksonville, Florida, will utilize his experience to further support the activities of the Association.

New Board Members Elected

Elected to serve three year terms on the Board of Directors were: Herbert Ginsberg, President, Grayco Products Corp., Westbury, NY; Charles W. Joiner, Jr., President, Mead Merchants, Dayton, OH; Herschel Maltz, President, Century Papers, Inc., Houston, TX; Richard A. Reeves, Director, Commerical Distribution Associates, Erie, PA.

CORDAGE PAPERS

John F. Church Jr.
President and Treasurer

TO THE MEMBERSHIP AT LARGE -

Sometimes you don't know a good thing until you lose it. So, don't.

My time during the last six years spent moving through the chairs of NPTA has been a very enriching and rewarding experience. I wish you all could have shared it as well. It was very demanding at times, but always worthwhile.

Our association is vital to the continued strength and progress of our industry. We will all be better off because of it, but it doesn't go on by itself. It needs your continued support and commitment. Don't let it down, and it won't let you down.

As I leave the board of directors, I feel the association is stronger than ever before. The board, the staff, the committees and the programs are ready to meet your needs.

Thank you all for the opportunity to serve. I hope I have been able to give at least a fraction of what I have received.

I am very grateful to you all.

Jack Church

The Manager's Notebook

Why Some Execs Win & Others Fall Flat

Two researchers from the Center for Creative Leadership in Greensboro, NC examined managerial traits to discover why some executives "make it all the way to the top," while others "derail," reported **Psychology Today**.

After studying 41 male executives, the researchers cited 10 "fatal flaws which sealed the fate of the man who fell short of ultimate success" (only 2 of the 10 flaws needed to be present):

1. *Insensitivity to others—abrasive, intimidating, bullying style.*
2. *Cold, abrasive, arrogant.*
3. *Betrayal of trust.*
4. *Overly ambitious—thinking of next job, playing politics.*
5. *Specific performance problems with the business.*
6. *Overmanaging—unable to delegate or build a team.*
7. *Unable to staff effectively.*
8. *Unable to think strategically.*
9. *Unable to adapt to boss with different style.*
10. *Overly dependent on mentor.*

Financial Managers Society "Printout," July

Drucker On Performance

Dr. Peter F. Drucker, in his classic book **The Changing World of the Executive**, *says that the bottom line isn't the appropriate measure of management effectiveness. It measures business, not management performance. And today's business performance is largely the result of the* **previous** *management's performance. The best way to measure current management's effectiveness is to keep track on how well they do: Allocating capital to projects, hiring and developing subordinates, coming up with new ideas, planning for the future.*

Test Yourself On Consumer-Related Quiz

Here are some questions relating to consumer concerns. They have been reported by various sources. See how many you can get correct:

1. *Consumers not pleased with the way their complaints were handled told how many people? (A) none, (B) 4-5, (C) 9-10.*
2. *Complainers satisfied with the treatment they received later bought: (A) about the same amount of the product or service as before, (B) about 10% more, (C) about 30% more.*
3. *According to* **Futurist Magazine**, *which of the following will most likely become community communication centers and offer electronic shopping, sports and theater reservations, educational programming, and local and national news? (A) schools, (B) town governments, (C) banks, (D) convenience stores.*
4. *To convince potential customers that your product or service is a good one, admit something negative about it. (A) true, (B) false.*
5. *Is fear a good appeal to use to persuade people to change their opinions and actions? (A) yes, (B) no, (C) yes, if the solutions are given to the problems generated by the fear.*

Answers: 1. C, 2. B, 3. C, 4. A, 5. C

PAPER MERCHANT SALES REPORT

AUGUST, 1983

	NPTA REGIONS	SALES PER SELLING DAY AUGUST 1983 -COMPARED TO- AUGUST 1982	SALES PER SELLING DAY AUGUST 1983 -COMPARED TO- JULY 1983	SALES PER SELLING DAY 1983 YEAR-TO-DATE -COMPARED TO- 1982 YEAR-TO-DATE	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF AUGUST 1982	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF AUGUST 1983	CALENDAR DAYS' COST* OF ENDING JULY INVENTORY 1982	CALENDAR DAYS' COST* OF ENDING JULY INVENTORY 1983
INDUSTRIAL	1	+ 7.0%	+ 2.3%	+ 5.4%	46	38	61	55
	2	+10.3%	+ 2.9%	+ 0.7%	36	36	50	51
	3	+ 7.5%	+ 4.3%	+ 5.3%	36	36	57	69
	4	+12.0%	+ 2.1%	+ 9.1%	35	35	54	51
	5	+ 3.4%	+ 1.5%	+ 2.1%	34	35	63	55
	6	+ 5.5%	- 1.6%	+ 4.1%	44	37	51	--
	7	+ 1.3%	+ 3.2%	- 0.8%	39	35	59	60
	NY METRO	+ 7.3%	+ 5.4%	+ 9.5%	44	45	54	--
	CHICAGO METRO	+ 8.4%	+ 3.8%	+ 6.0%	38	38	55	54
	LA METRO	+10.8%	- 5.7%	+ 3.8%	43	45	60	56
	US	+ 7.7%	+ 1.7%	+ 4.6%	38	37	56	57
PRINTING	1	+ 9.8%	+ 7.3%	+13.0%	54	55	60	61
	2	+10.3%	+ 2.2%	+ 7.2%	46	47	63	65
	3	+21.0%	+ 7.3%	+10.9%	45	45	84	86
	4	+15.2%	+ 9.8%	+ 7.0%	43	45	74	77
	5	+10.8%	+ 0.3%	+ 9.0%	44	45	81	--
	6	+ 9.3%	+ 5.8%	+ 3.3%	43	41	63	--
	7	- 1.0%	+ 1.7%	- 0.6%	40	44	76	79
	NY METRO	+28.5%	+11.7%	+ 9.0%	46	45	67	--
	CHICAGO METRO	+ 8.7%	+10.6%	+ 8.2%	43	45	66	--
	LA METRO	+15.3%	- 1.3%	+13.0%	41	42	72	68
	US	+14.5%	+ 5.6%	+ 8.1%	45	46	72	74

*TO CALCULATE MONTHLY INVENTORY TURNOVER, DIVIDE 365 CALENDAR DAYS BY # OF CALENDAR DAYS COST, EG, 365/73 = 5.00x.

Region 1 CT, ME, MA, NH, RI & VT
Region 2 DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3 AL, FL, GA, NC, SC; TN & VA
Region 4 IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5 CO, IA, KS, MN, MT, NE, ND SD, WY
Region 6 AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7 AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co.
NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos.
IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego
Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

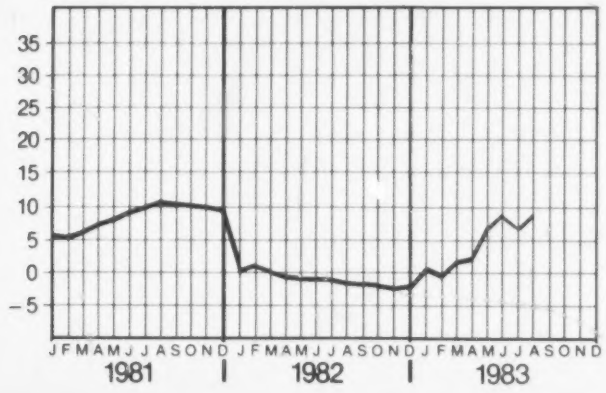
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

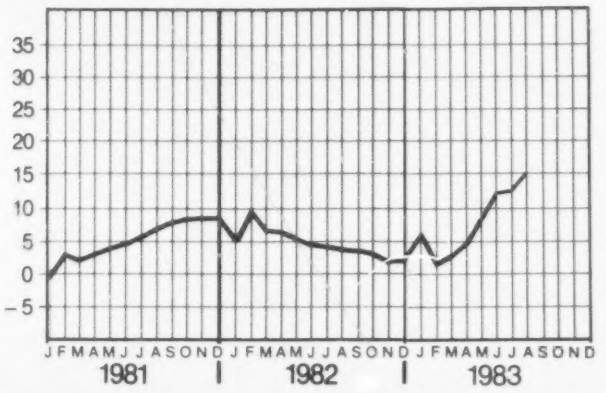
Paper Merchant Sales Report
Summary National Trend Information: 1981 to present

SALES INFORMATION: YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY.

INDUSTRIAL PAPER SALES NATIONALLY

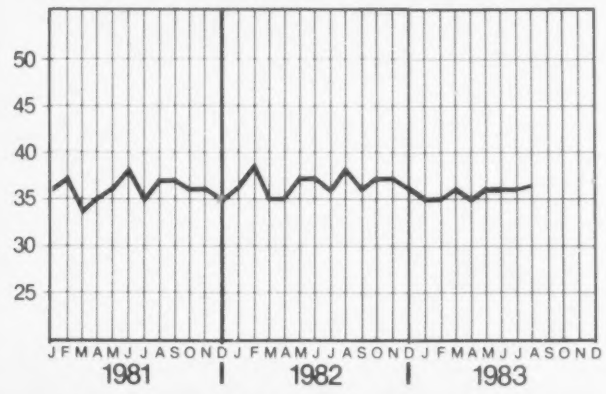


PRINTING PAPER SALES NATIONALLY

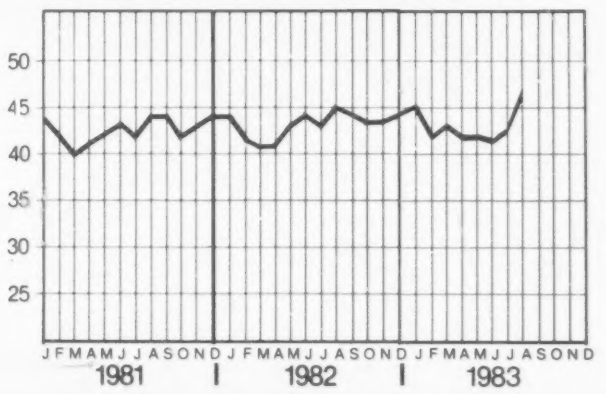


RECEIVABLES INFORMATION: DAYS OUTSTANDING FOR ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY

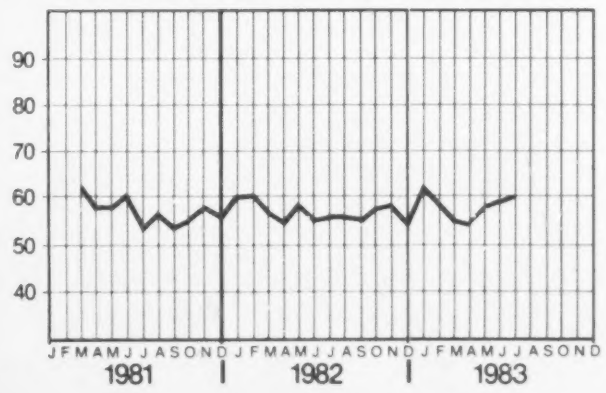


PRINTING PAPER RECEIVABLES NATIONALLY

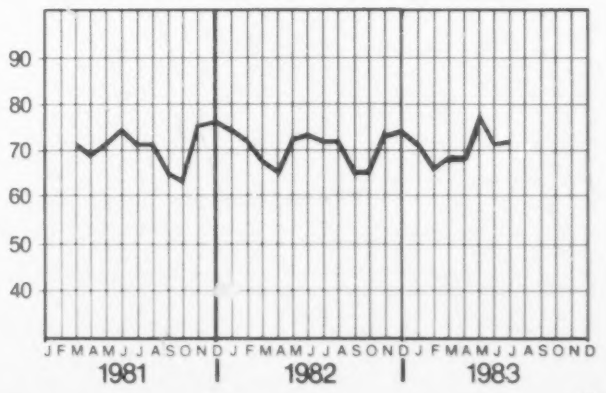


INVENTORY INFORMATION: CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



WASHINGTON WATCH

Manufacturer/Wholesaler-Distributor Relationships

The Federal Trade Commission and Department of Justice are circulating new proposals which could affect dramatically the application of the various antitrust laws to the manufacturer/wholesaler-distributor relationship, states a recent NAW Legal Advisory. The proposed rule would place serious evidence burdens on complaining parties and would be particularly harsh with respect to wholesalers-distributors.

The following are brief examples of some of the new or pending developments which could seriously impact wholesalers-distributors:

- The Justice Department has dropped tie-in charges against a Mercedes-Benz manufacturer charged with forcing its dealers to purchase a replacement parts package as a condition for purchase of vehicles for resale.
- In a recent case, a court held that even if there is a conspiracy between a supplier and a distributor to replace an existing rival distributor, the substitution of one for the other does not violate antitrust laws as long as a valid business reason exists.
- The Supreme Court has agreed to review an action by a wholesaler-distributor against a company it claims conspired with rival distributorships to cancel its distributorship, implementing a plan for resale price maintenance. Under the Justice Department's new proposed *rule of reason*, the complaining party must show a particular action to be unreasonable and in restraint of trade. This is a substantial legal burden.
- Under the **Truett Payne** holding, a wholesaler-distributor is not entitled to automatic damage even though he shows a violation of the Robinson-Patman Act. Now, a private plaintiff must show actual damages, i.e., proof of lost sales and profits, in most cases an almost insurmountable burden.

The full text of the Legal Advisory including a review of legal recourses available to wholesaler-distributors, may be obtained by writing NAW at 1725 K Street, NW, Department LA-83-6, Washington, D.C. 20006.

Outlook for '85 Postal Rate Increases

Business Mailers Review predicts that postal rates will not go up until January 1985, and this prediction was confirmed at last month's meeting of the Postal Board of Governors. Chairman Robert L. Hardesty said: "The Board has determined that there is no need for a general rate increase until October of 1984—at the earliest." According to *BMR*, the "earliest" won't come until the first few weeks of the following January. To help mailers plan their postal budget for 1985, *BMR* reviewed the Postal Service's financial outlook with an expert. Based on this consultation, *BMR* believes the '85 rate increases will be a lot more modest than those encountered in the past ten years. They should only average about 16%. Some classes of mail, however, will get larger increases than others. For first class, the '85 rate could be 24¢, which is a 20% hike. In the other classes, where there is competition, many of the increases will be below the average.

Important Issues

LIFO SURVEY—NAW and NPTA in cooperation with the Federal Trade Commission's Bureau of Economics has sent to all members a survey questionnaire on the cost of adopting LIFO and complying with its complex rules and regulations. Responses are being tabulated. Substantial and broad wholesaler-distributor participation will establish comprehensive economic data base for NAW's legislative efforts to reform the complex inventory tax laws.

TAXATION OF FRINGE BENEFITS (H.R. 3526)—NAW submitted comments opposing the taxation of fringe benefits on the basis that it puts closely-held businesses at a competitive disadvantage for acquiring and retaining qualified employees. Administration is currently re-evaluating its previous support for the bill. Looks like this issue has lost significant momentum.

GOVERNMENT PROCUREMENT (S. 338; S. 1746; S. 1730)—Senator Cohen's (R-ME) NAW-supported competition in contracting bill (S. 338) has been approved for floor action by both the Governmental Affairs and Armed Services Committees. Senator Dixon (D-IL) and Senator Rudman (R-NH) have introduced similar bills this month (S. 1730 and S. 1746). Further, OFPP, at President Reagan's direction, has issued a major policy statement to all federal agencies urging more contracting out to private industry and more competitive bidding for federal contracts. NAW is working hard on this very complex and political issue.

Computerization And Our Industry

While computers have become increasingly important in both the private and public sectors during the past few decades, paper distributors have only recently begun to make significant use of them for their company's management. Two factors contributing to the growing importance placed on office computerization in our industry are the ever-increasing costs of both hardware and software packages and the success stories from so many paper merchants from around the country.

NPTA's November 15-17 **Trends in Paper Distribution Computerization Conference** will be an industry—First. This comprehensive customized program of workshops, round table discussions and an exhibition of hardware and software will introduce Computer Literacy and delve into specialized and technical issues.

While the field of Computer Literacy is highly complex, one thing is certain: the paper merchant able to capture Computer Literacy training will gain substantial benefits for his firm. *Trends in Paper Distribution Computerization Conference* emphasizes major issues of computer management.

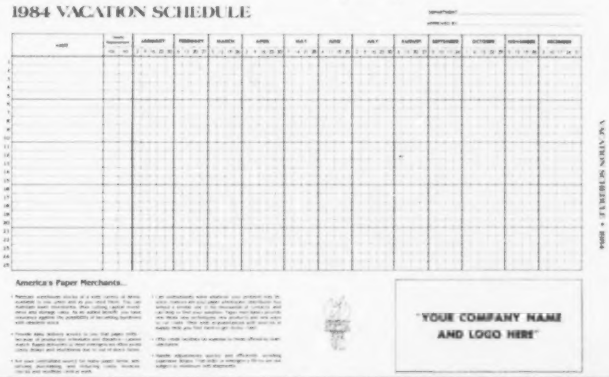
For more information or to register contact Bruce Linden, Director of Education and Training at 516-829-3070.

Roster Update Deadline

All member firm headquarters have received a "Roster Update" form. These forms **must** be returned to NPTA no later than **OCTOBER 14, 1983.** This will insure that your company will be listed properly in the 1984 *Who's Who In Paper Distribution & FactBook.* If you have **no** changes in your company's listing, you still must return the form so that the compilation of the book may continue!

Order Your 1984 Vacation Schedules Now

The NPTA vacation schedule is a handy, useful tool for your customers, and a nice reason to drop by to see your customers this fall.



The vacation schedules were totally redesigned last year to include more industry information, and an opportunity to imprint your company's name, address, and logo; thus keeping your message in front of your customer's all year-long!

Prices have not been increased for 1984:

1-99 pieces	$.40
100-500 pieces	$.35
over 500 pieces	$.30

And, if you would like NPTA to imprint your company's name, address, and logo, just send us your camera art and NPTA will have them professionally imprinted. The nominal additional charge for imprinting is: $50.00 for any quantity up to 1,000 pieces.

Act now and have your imprinted Vacation Schedules before Thanksgiving!

NPTA
MANAGEMENT NEWS
National Paper Trade Association, inc.
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Great Neck, New York 11021

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